

PTL ENTERPRISES LIMITED

(Formerly Premier Tyres Limited)

47TH ANNUAL REPORT

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PTL ENTERPRISES LIMITED

(Formerly Premier Tyres Limited)

BOARD OF DIRECTORS

| | | |
|-----------------|---|---------------------------|
| ONKAR S. KANWAR | : | CHAIRMAN |
| NEERAJ KANWAR | | |
| HARISH BAHADUR | | |
| K.JACOB THOMAS | | |
| K.JOSE CYRIAC | : | KERALA GOVERNMENT NOMINEE |
| PALLAVI SHROFF | | |
| P.A.S. RAO | | |
| T. BALAKRISHNAN | : | KERALA GOVERNMENT NOMINEE |
| U.S.OBEROI | | |

COMPANY SECRETARY

PRADEEP KUMAR

AUDITORS

H. N. MEHTA ASSOCIATES

REGISTERED OFFICE

6TH FLOOR, CHERUPUSHPAM BLDG.
SHANMUGHAM ROAD,
KOCHI – 682 031 (KERALA).
TEL. NOS. (0484) 2381902 - 3
FAX NO.: (0484) 2370351

BANKERS

STATE BANK OF INDIA
YES BANK
BANK OF INDIA
ICICI BANK LTD.

WORKS

KALAMASSERY
ALWAYE,
KERALA – 683 104.

PTL ENTERPRISES LIMITED

Regd. Office: 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)

NOTICE

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the Members of **PTL ENTERPRISES LTD.** will be held as under:-

| | | |
|-------|---|--|
| DAY | : | Thursday |
| DATE | : | 17 th July, 2008 |
| TIME | : | 2:30 p.m. |
| PLACE | : | Sowbagh, Bharat Hotel (BTH), Durbar Hall Road, Ernakulam, Kochi – 682 016. |

to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2008 and the Report of the Directors and of the Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr. K.Jacob Thomas, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.A.S. Rao, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT M/s. H.N.Mehta Associates, Chartered Accountants, the retiring auditors, be and are hereby re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company for auditing the Accounts for the year 2008-2009 and the Board of Directors be and is hereby authorised to fix their remuneration plus travelling and out of pocket expenses for audit."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :-

"Resolved that Mrs. Pallavi Shroff who was appointed by the Board of Directors of the Company as an Additional Director with effect from 9th May, 2008 and who holds office as such upto the date of the Annual General Meeting and in respect of whom the Company has as required by Section 257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose her

candidature for the office of the Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 386, 387, 388 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the Act"), Mr. George Oommen, be and is hereby appointed as Manager of the Company with effect from 1st September, 2007 with substantial powers of management under the overall supervision, control and directions of the Board of Directors of the Company, for a period of 5 (five) years with such designation as the Chairman may decide from time to time, and for payment of remuneration, perquisites and terms and conditions as set out in the explanatory statement attached to this notice.

RESOLVED further that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) be and is hereby authorised to vary and/or modify the terms and conditions of appointment, including remuneration and perquisites payable to Mr. George Oommen in such manner as may be agreed to between the Board and Mr. George Oommen within and in accordance with the limits prescribed in Schedule XIII of the Act or in accordance with the changes that may be effected in Schedule XIII of the Act and/or any amendments and/or modifications that may be made by the central government in that behalf from time to time or any amendments or re-enactment of the relevant provisions of the Act.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mr. George Oommen, be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under sub paragraph (A) of paragraph 1 of Section II of Part II of Schedule XIII of the Act by making such compliances as provided in the said Schedule.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters, as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question there to, in order to give effect to the foregoing resolution or otherwise considered by the Board to be in the best interest of the company."

8. To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board for making investment of an amount not exceeding Rs. 30.30 crores by subscribing 50,50,000 equity shares of Rs.10/- each at a premium of Rs.50/- per share in the share capital of Artemis Health Sciences Pvt. Ltd., Subsidiary Company, notwithstanding that such investment together with the Company's existing investments/loans/guarantees/securities etc. in other bodies corporate shall be in excess of the limits prescribed under the Companies Act, 1956 or any re-enactment thereof read with applicable rules as may be made in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine the time and manner of such investment and to do such other acts, deeds and things as may be deemed appropriate and/or incidental to said investment".

By order of the Board
For PTL Enterprises Ltd.



(PRADEEP KUMAR)
COMPANY SECRETARY

Place : Guwahati

Dated : 9th May, 2008

NOTES

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The enclosed proxy form, if intended to be used, should reach the Registered Office of the Company duly completed not less than forty eight hours before the scheduled time of the Meeting.**
2. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business set out above is annexed hereto.
3. The Register of Members and Share Transfer Books shall remain closed from 1st July, 2008 to 17th July, 2008 (both days inclusive) for payment of dividend on equity shares. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the respective depositories for this purpose.
4. The members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records which will help the Company to provide efficient and better service to members.
5. Please bring your copy of the Annual Report to the Meeting.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the Meeting and also at the Meeting.
7. Members intending to require information about Accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the AGM.
8. Members holding shares in the same name(s) under different folios are requested to apply for consolidation of such folios by sending relevant share certificates.
9. The shares of the Company are under compulsory Demat list of SEBI w.e.f. 2nd January, 2002. The trading in equity shares can now be only in Demat Form. In case you have not dematerialized your shares, you may do so by opening an account with a Depository Participant and complete dematerialization formalities.
10. Information under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/reappointment at the Annual General Meeting (Item No.3, 4 and 6) is given after the explanatory statement.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Mrs. Pallavi Shroff was appointed by the Board of Directors as an Additional Director on the Board of your Company with effect from 9th May, 2008. Pursuant to Section 260 of the Companies Act, 1956, Mrs. Pallavi Shroff, holds office upto the date of the Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a member alongwith a deposit of Rs. 500/- proposing the candidature of Mrs. Shroff as a Director of the Company.

The Board of Directors recommends the resolution set out at item no. 6 for your consideration and approval.

None of the Directors of the Company except Mrs. Pallavi Shroff, herself is concerned or interested in the resolution.

Item No. 7

Mr. George Oommen, aged 45 years, holds a Bachelor's Degree in Mechanical Engineering from College of Engineering, Trivandrum. Mr. Oommen was appointed as a "Manager" of the Company under Section 198, 269, 386, 387, 388 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the Act") with effect from 1st September, 2007 for a period of 5 (five) years by the Board of Directors in its meeting held on 25th July, 2007, subject to the approval of the shareholders. Mr. Oommen, subject to the superintendence, control and direction of the Board of Director will have the management of substantially the whole of the affairs of the Company.

During the tenure of his appointment as Manager, Mr. Oommen shall be entitled for remuneration (CTC) aggregating to Rs.19.50 lacs (Rupees nineteen lacs fifty thousand only) per annum which will includes basic salary, retirals, flexi benefit plan and performance bonus, with suitable increases as may be decided by the Chairman, from time to time, not exceeding 50% increase in remuneration by way of annual increment each year.

In addition to above remuneration, Mr. Oommen, shall also be entitled to reimbursements of out of pocket and entertainment expenses actually and properly incurred by him in course of legitimate business of the Company.

Notwithstanding any thing to the contrary contained herein, where in any financial year, during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay, the remuneration as specified in Schedule XIII of the Act to Mr. Oommen as minimum remuneration, subject to other compliances of Schedule XIII of the Act.

The resolution for the appointment of Mr. Oommen as a Manager requires approval of the Company in general meeting in pursuance of the Act. Your Directors recommend the Resolution No. 7 for your approval as an Ordinary Resolution.

Mr. Oommen is not on the Board of any other Company and he is not holding any shares of the Company.

None of the Directors of the Company is in any way concerned or interested in the Resolution.

Item No. 8

Your directors had approved the proposal for providing funds to subsidiary companies to part finance the financial requirement of the health care business. In first phase multi speciality hospital at Gurgaon with an investment of around Rs.200 crores has been completed by Artemis Medicare Services Pvt. Ltd., subsidiary of Artemis Health Sciences Pvt. Ltd. As part of the investment plan in health care business, your directors have recommended for subscribing 50,50,000 equity shares of Rs.10/- each at a premium of Rs.50/- per share aggregating to Rs.30.30 crores in the share capital of Artemis Health Sciences Pvt Ltd.

The company has sufficient arrangement in form of internal accruals/borrowings to fund the investment.

The proposed investment would attract provisions of Section 372A of the Companies Act, 1956, inter-alia requiring approval of the shareholders by way of Special Resolution.

Accordingly, the proposal is being placed for your approval to enable the company to invest in the equity capital of Artemis Health Sciences Pvt. Ltd. as aforesaid, notwithstanding the fact that such investment may exceed the limit prescribed under Section 372A of the Act.

None of the Directors of the Company, except Mr. Onkar S Kanwar, Mr. Neeraj Kanwar and Mrs. Pallavi Shroff, Directors of the subsidiary company, is in any way concerned or interested in the Resolution.

Your Directors recommend the resolutions No. 8 for your approval as a Special Resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Item No 3

Mr. K. Jacob Thomas aged about 72 years is a graduate in Science and is an industrialist. He joined the Board of Directors of the Company in the year 1995. His experience is focused in the areas of Plantation Management.

Mr. Jacob Thomas holds directorship of the following companies :-

| | | |
|----------------------------|---|-------------------|
| Vaniampara Rubber Co. Ltd. | - | Managing Director |
| Comfoams Ltd. | - | Managing Director |
| Apollo Tyres Ltd. | - | Director |
| Vanrub Pvt Ltd. | - | Director |

Mr. Thomas is also a Chairman of the Shareholders'/Investors' Transfer/Grievance Committee and a Member of the Audit Committee of Apollo Tyres Ltd.

He is holding 7500 shares of the Company.

Item No. 4

Mr. P.A.S. Rao is a leading advocate and a qualified Company Secretary. He joined the Board of Directors of the Company during 2005.

Mr. P.A.S. Rao is holding directorship of M & M Auto Industries Ltd and Apollo International Ltd.

Mr. Rao is also a member of the Audit Committee of Apollo International Ltd.

He is not holding any shares of the Company.

Item No. 6

Mrs. Pallavi Shroff is a practising lawyer with Amarchand & Mangaldas & Suresh A. Shroff Co., one of the leading corporate law firms in India today. Mrs. Shroff, a partner in Amarchand Mangaldas, has vast experiences in the areas of corporate and commercial law, joint ventures, corporate structuring, mergers and acquisitions and corporate advisory work across sectors.

Mrs. Shroff holds directorship in Kotak Mahindra Old Mutual Life Insurance Ltd., BAG Films Ltd., Juniper Hotels Pvt. Ltd., Maruti Udyog Ltd., Indusind Bank Ltd. and Gift Collective Investment Management Company Ltd.

Mrs. Shroff is also a member of the Audit Committee of Maruti Udyog Ltd.

She is not holding any shares of the company.

By order of the Board
For PTL Enterprises Ltd.


(PRADEEP KUMAR)
COMPANY SECRETARY

Place : Gurgaon

Dated : 9th May, 2008

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of your Company for the financial year ended 31st March, 2008.

FINANCIAL RESULTS**Year Ended (Rs./lacs)**

| | 31.03.2008 | 31.03.2007 |
|--|------------|------------|
| Other income | 2093.14 | 1570.97 |
| Profit before depreciation | 1100.90 | 1063.24 |
| - Depreciation | 16.09 | 16.74 |
| Profit before tax | 1084.81 | 1046.50 |
| - Provision for Tax – Current | 463.36 | 418.65 |
| - Provision for Tax – Deferred | (325.92) | (2.10) |
| - Provision for Fringe Benefit Tax | 0.79 | 0.88 |
| Net Profit after tax | 946.58 | 629.07 |
| Balance brought forward from previous year | 1223.58 | 594.51 |
| Profit Available for Appropriations | 2170.16 | 1223.58 |
| Appropriations : | | |
| Dividend to Equity Shareholders | 198.57 | - |
| Dividend Tax | 33.75 | - |
| Transfer to General Reserve | 300.00 | - |
| Balance Carried Forward | 1637.84 | 1223.58 |

OPERATIONS

During the year under review, gross income amounted to Rs. 2093.14 lacs as against Rs. 1570.97 lacs during the previous year, registering an increase of 33.24%. It includes lease rental of Rs. 2000 lacs received from Apollo Tyres Ltd. (ATL), in accordance with the terms of the Lease Agreement executed with ATL. After providing for depreciation and current/deferred tax, the net profit amounted to Rs. 946.58 lacs as against Rs. 629.07 lacs in the previous year, recording a growth of 50.47%.

DIVIDEND

Your directors are pleased to recommend first dividend of 15% per equity share for the financial year 2007-08 after the revival of the Company for your approval. There will be no tax deduction at source on dividend payments, but your company will have to bear tax on dividend @ 16.99%, inclusive of surcharge.

The dividend, if approved, shall be payable to the shareholders registered in the books of the company and the beneficial owners as per details furnished by the depositories, determined with reference to the book closure from 1st July, 2008 to 17th July, 2008 (both days inclusive).

SHARE CAPITAL

The face value of shares of the company has been split from Rs.10/- each into 5 equity shares of Rs.2/- each w.e.f. 3rd March, 2008, in pursuance of the resolution passed by the members through postal ballot on 14th February, 2008.

SUBSIDIARY COMPANIES

Your Directors decided to seek exemption under Section 212 of the Companies Act, 1956, from annexing Annual Reports of the subsidiary companies viz. Artemis Health Sciences Pvt. Ltd., Artemis Medicare Services Pvt. Ltd., Artemis Life Sciences Pvt. Ltd., Artemis Mediequipments Pvt. Ltd. and Artemis Medical Institute & Hospitals Pvt. Ltd. for the financial year ended 31st March, 2008.

The Central Government vide its letter No.47/120/2008-CL-III dated March 10, 2008, has accorded its approval under Section 212 (8) of the Companies Act, 1956, from annexing the accounts of the above subsidiary companies. The information of the subsidiary companies is annexed with the consolidated accounts attached herewith.

The copy of the Annual Report of the subsidiary companies will be made available to the shareholders on request and will also be kept for inspection by any shareholder at the Registered Office of the Company.

EXPANSION/DIVERSIFICATION/FUTURE OUTLOOK

Your Company has entered into the health care landscape by launching "Artemis Health Institute" a state-of-art 500-bed super specialty hospital in Gurgaon, a unit of Artemis Medicare Services Pvt. Ltd. (subsidiary of your company).

Artemis Health Institute has been awarded the "Most Promising Start-up Healthcare Company of the Year" at The Healthcare Excellence Awards 2008 organised by The Express Group and Express Healthcare. These awards honour visionaries in the field of Healthcare, Companies with a consuming passion to touch, heal and renew lives; Companies who believe in the impossible dream.

The award has been given to Artemis on the basis of criteria like hospital infrastructure, operational efficiency, expertise of health care service providers, patient care services, hospital protocols and processes, marketing, customer relationship management and community service programs.

Your Directors have also approved a proposal for setting up a facility to manufacture Speciality Tyres at a cost of Rs.40 crore at land acquired at Irapuram (Kerala) under Phase-I. This would envisage introduction of new range of speciality tyres like industrial tyres, farm implement tyres, floatation tyres etc. which is a niche, high contribution product segment. Under the Phase-II, the tyre manufacturing unit at Kalamassery will be relocated to Irapuram to produce cross ply tyres. The relocation will also create space within the city limits of the fast-growing Kalamassery city for growth of vital residential and commercial infrastructure, in accordance with Government of Kerala's proactive Industrial and Commercial Policy.

COST AUDIT

Your Company is in the process of filing an application with the Central Government for availing exemption from the requirements of Cost Audit as your Company does not have its own production due to the Plant being leased out to Apollo Tyres Ltd.

AUDITORS' REPORT

The comments on the statement of accounts referred to in the Report of the Auditors are self explanatory.

BOARD OF DIRECTORS

Mrs. Pallavi Shroff was appointed as an Additional Director of the Company w.e.f. 9th May, 2008. She holds office till the date of the Annual General Meeting. The Company has received requisite notice together with deposit, as provided under Section 257 of the Companies Act, 1956, from a shareholder proposing the appointment of Mrs. Shroff as a Director liable to retire by rotation.

Mr.K.Jacob Thomas and Mr.P.A.S.Rao, Directors will retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-appointment.

None of the Directors are disqualified under Section 274(1) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the plant was leased out to Apollo Tyres Ltd. during the financial year ended March 31, 2008 and the Company is not carrying out any manufacturing activity of its own, no information is required to be furnished under Section 217 (1) (e) of the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on corporate governance is given in Annexure 'A' of this report.

HUMAN RESOURCES

The industrial relations continued to be cordial during the year. There are no employees during the year drawing remuneration specified under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975. As such, no particulars are required to be furnished.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms that:

- i) in preparation of the Annual Accounts for the year ended March 31, 2008, the applicable accounting standards have been followed and there has been no material departure;
- ii) the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2008, and of the profit of the Company for the year ended as on date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Annual Accounts have been prepared on a 'going concern' basis.

ACKNOWLEDGEMENT

Your Directors convey their grateful thanks to the State Governments of Kerala and Haryana, bankers and employees for their co-operation extended to the management.

For and on behalf of the Board of Directors

Onkar S. Kanwar

(ONKAR S. KANWAR)
CHAIRMAN

Place : Gurgaon

Dated : 9th May, 2008

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance

The Company is following corporate Governance practices in true spirit with a view to enhance shareholders' value.

Corporate governance is all about the processes which involve direction and control of affairs of the Company in a fashion that ensures optimum returns for the stakeholders.

Your Company is complying in all material respect with the requirements of Corporate Governance stipulated in Clause 49 of the listing agreement. Requirements of Stock Exchanges and practice followed by the Company along with status of compliance made under Corporate Governance are given hereafter:-

2. Board of Directors

a) Composition of Board:

The Board of the Company comprises of nine dynamic Directors to give a new direction to the Company. Out of the nine Non Executive Directors, five Directors are Independent Directors, which include two nominees of Government of Kerala. All Directors have varied experience in the areas of finance, law, business and industry etc.

| Name/Designation of Director | Category | No. of positions held in other companies | | No. of Board Meetings attended | Attendance at last AGM |
|---|------------------------------|--|--------------|--------------------------------|------------------------|
| | | Board # | Committee ## | | |
| Mr. Onkar S. Kanwar Chairman | Non-Executive | 5 | - | 4 | Yes |
| Mr. Neeraj Kanwar | Non-Executive | 4 | 1 | 4 | Yes |
| Mr. Harish Bahadur | Non-Executive | 1 | - | 4 | Yes |
| Mr. K. Jacob Thomas | Non-Executive Independent | 3 | 2 | 4 | Yes |
| Mr. K Jose Cyriac Nominee Director – Govt of Kerala (Equity Investor) | Non-Executive Independent | 7 | - | 2 | No |
| Mrs. Pallavi Shroff (Appointed, as an Additional Director on 9 th May, 2008) | Non-Executive Independent | 6 | 1 | N.A. | N.A. |
| Mr. P.A.S. Rao | Non-Executive Independent | 2 | 1 | 4 | Yes |
| Mr. U.S. Oberoi | Non-Executive | 1 | 1 | 4 | Yes |
| Mr. T. Balakrishnan Nominee Director – Govt. of Kerala (Equity Investor) | Non-Executive Independent | 14 | - | 3 | Yes |

This includes Directorships held in Public Limited Companies and subsidiaries of Public Limited Companies and excludes Directorships held in Private Limited Companies and overseas Companies.

For the purpose of Committees of Board of Directors only Audit and Shareholders' Grievance Committee in other Public Ltd. Companies and subsidiaries of Public Ltd. Companies are considered.

(b) Relationship amongst Directors

Mr. Neeraj Kanwar, Director is son of Mr. Onkar S. Kanwar, Chairman.

c) Number and dates on which the meetings of Board of Directors were held

During the year, four Board Meetings were held on the following dates:-

30th April, 2007

25th July, 2007

26th October, 2007

15th January, 2008

The required information was suitably placed before the Board to the extent possible at the Board Meetings.

3. Audit Committee

a) Constitution of Committee

In accordance with Clause 49 of the Listing Agreement and as a matter of good corporate Governance, the Company has an Audit Committee to provide assistance to the Board of Directors to look into the matters relating to the internal controls and audit procedures being followed by the Company. The Committee comprises of the following three Non-Executive Directors:

| Name of Director | Designation | No. of meetings attended |
|---------------------|-------------|--------------------------|
| Mr. K. Jacob Thomas | Chairman | 4 |
| Mr. Neeraj Kanwar | Member | 4 |
| Mr. P.A.S. Rao | Member | 4 |

b) Meetings

During the year, Audit Committee met 4 times since 01.04.2007 on the following dates :-

30th April, 2007

25th July, 2007

26th October, 2007

15th January, 2008

c) Name of the Secretary

Mr. Pradeep Kumar, Company Secretary, acts as Secretary of the Committee.

d) Terms of Reference

The terms of reference of the Audit Committee include the following:-

- (i) Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control system, scope of audit and observations of the Auditors/Internal Auditors;

- (iii) Recommend the appointment/removal of external auditors, nature and scope of audit, fixation of audit fee and payment for any other services to external auditors;
- (iv) To review compliance with internal control systems;
- (v) To review the quarterly, half yearly and annual financial results of the Company before submission to the Board;
- (vi) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large;
- (vii) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- (viii) To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary.

4. Payment of remuneration/sitting fee to Directors

Remuneration/sitting fee paid to Directors during the financial year 2007-08, is given below:

| Name of Director | Sitting Fee (Rs./Lacs) | No. of Shares held as on 31.03.08 | Stock Option, if any |
|---|------------------------|-----------------------------------|----------------------|
| Mr. Onkar S. Kanwar | 0.40 | 2,500 | N.A. |
| Mr. Neeraj Kanwar | 0.80 | - | N.A. |
| Mr. Harish Bahadur | 0.40 | - | N.A. |
| Mr. K. Jacob Thomas | 0.80 | 7,500 | N.A. |
| Mr. K. Jose Cyriac * | 0.20 | - | N.A. |
| Mrs. Pallavi Shroff (Appointed as an Additional Director on 9 th May, 2008) | N.A. | - | N.A. |
| Mr. P.A.S.Rao | 0.80 | - | N.A. |
| Mr. T.Balakrishnan* | 0.30 | - | N.A. |
| Mr. U.S.Oberoi | 0.40 | - | N.A. |

* Sitting fee payable to Government of Kerala.

5. Shareholders'/Investors' Transfer/Grievance Committee

The Company has constituted a Shareholders'/Investors' Transfer/Grievance Committee with a view to review the redressal of shareholders' and investors' complaints.

i) Constitution and Composition of Committee

The Committee comprises of the following members:-

| Name of Directors | Designation |
|---------------------|-------------|
| Mr. Onkar S. Kanwar | Chairman |
| Mr. Neeraj Kanwar | Member |
| Mr. T. Balakrishnan | Member |

ii) Functions

- The Committee approves issue of Duplicate Certificates and oversees and reviews all matters connected with transfer of shares of the Company.
- The Committee looks into the redressal of shareholders' and investors' complaints related to transfer of shares, demat of shares, non-receipt of balance sheet and other benefits or information etc.
- The Committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.
- The Committee approves all transfer/transmission of more than 10,000 Shares received from a single buyer.

iii) Meetings

During the year, no Committee meeting had taken place.

iv) Others

- Mr. Pradeep Kumar, Company Secretary, has been designated as the Compliance Officer.
- During the year 2007-2008, no complaints were received by the Company.

6. General Body Meetings

a) The last three AGMs were held as under: -

| Year | Location | Date | Time |
|-----------|---|------------|------------|
| 2006-2007 | Sowbagh, Bharat Hotel (BTH), Durbar Hall Road, Ernakulam, Kochi (Kerala) – 682 016 | 25.07.2007 | 3.00 P.M. |
| 2005-2006 | - do - | 25.08.2006 | 11.00 A.M. |
| 2004-2005 | - do - | 21.07.2005 | 3.00 P.M. |

b) Special Resolutions passed in the previous three AGMs : -

| Year | Special Resolution passed |
|-----------|--|
| 2006-2007 | No Special resolution was passed |
| 2005-2006 | No Special resolution was passed |
| 2004-2005 | Amendment in the Articles of Association |

- c) Special Resolution passed in the year 2007-08 through postal ballot :-
Special Resolution relating to amendment in Articles of Association in respect of alteration in capital clause was passed through postal ballot on 14th February, 2008
- d) Whether any Special resolution is proposed to be conducted through postal ballot :-
Yes, a Special resolution relating to loan(s)/guarantee(s)/security(ies) under Section 372A is proposed to be passed through postal ballot.
- e) Dividend declared in last three Annual General Meetings :-
The Company has not declared any dividend during the last three years.

7. Disclosures

a) Related Party Transactions

Related Parties and transactions with them as required under Accounting Standards 18 (AS- 18) are furnished under paragraph number 15 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2008.

No transaction of material nature has been entered into by the Company with its promoters, the Directors or the management, their subsidiary or relatives etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

b) Risk Management Procedure

In terms of sub-clause IV.C of the Clause 49 of the Listing Agreement, the Company has made its Risk Charter and Risk Profile etc. to frame a risk management policy/internal control frame work. The Audit Committee shall periodically review the risk and plan to mitigate the same.

c) Compliance by the Company

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years.

8. Means of communication

Quarterly results are normally published in Pioneer/Statesman (national daily) and Kerala Kumudi (regional language)

9. Management Discussion and Analysis Report

Management Discussion & Analysis Report is Annexed hereto and forms part of the Annual Report (Annexure-B).

10. General Shareholder Information

- a) **Registered office** : 6th Floor,
Cherupushpam Bldg.
Shanmugham Road,
Kochi – 682 031.

b) Annual general meeting

- Date : 17th July, 2008
- Time : 2:30 p.m.
- Venue : Sowbagh
Bharat Hotel (BTH),
Durbar Hall Road,
Ernakulam, Kochi.

c) Financial calendar for financial year 2008-09

- Financial Reporting for the quarter ending June 30, 2008 : Month of July 2008
- Financial Reporting for the quarter ending September 30, 2008 : Month of October 2008
- Financial Reporting for the quarter ending December 31, 2008 : Month of January 2009
- Financial Reporting for the quarter ending March 31, 2009 : April - June 2009

d) Date of book-closure From 1st July, 2008 to 17th July, 2008

e) Dividend payment date On or after 17th July, 2008 but within the statutory time limit.

f) Listing on stock exchanges

- | | |
|---|---|
| <p>1. Cochin Stock Exchange Ltd., MES, Dr. P.K. Abdul Gafoor Memorial Cultural Complex, 36/1565, 4th Floor, Judges Avenue, Kaloor, Kochi – 682017. Ph.0484-2400044,2410898 Fax:0484-2400330 E-mail: cse1@vsnl.com</p> | <p>2. Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai – 400001 Ph.: 022-22721233/34 Fax: 022-22721919/3027</p> |
| <p>3. National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Ph. : 022-26598100-14 Fax : 022-26598237-38 E-mail: cmllist@nse.co.in</p> | |

The Annual listing fee for the year 2008-2009 has been paid to all the aforesaid Stock Exchanges.

g) Stock Code

- Stock Exchange, Mumbai : 509220
- National Stock Exchange : PTL

h) **Stock Market Price Data for the year 2007-2008****PTL share price on BSE**

| Month | BSE | | | Sensex | |
|---------------|------------|-----------|------------------|-----------|-----------|
| | High (Rs.) | Low (Rs.) | Volume (in lacs) | High | Low |
| April, 07 | 142.00 | 101.95 | 3.38 | 14,383.72 | 12,425.52 |
| May, 07 | 134.80 | 105.20 | 8.01 | 14,576.37 | 13,554.34 |
| June, 07 | 128.00 | 104.45 | 0.62 | 14,683.36 | 13,946.99 |
| July, 07 | 135.75 | 111.00 | 1.00 | 15,868.85 | 14,638.88 |
| August, 07 | 117.50 | 85.65 | 0.44 | 15,542.40 | 13,779.88 |
| September, 07 | 123.80 | 96.10 | 0.44 | 17,361.47 | 15,323.05 |
| October, 07 | 127.00 | 85.15 | 0.77 | 20,238.16 | 17,144.58 |
| November, 07 | 154.95 | 84.20 | 2.68 | 20,204.21 | 18,182.83 |
| December, 07 | 180.00 | 129.00 | 6.74 | 20,498.11 | 18,886.40 |
| January, 08 | 180.00 | 131.10 | 1.84 | 21,206.77 | 15,332.42 |
| February, 08 | 153.40 | 27.00 | 1.82 | 18,895.34 | 16,457.74 |
| March, 08 | 32.15 | 23.25 | 36.03 | 17,227.56 | 14,677.24 |

PTL share price on NSE

| Month | NSE | | | Nifty | |
|---------------|------------|-----------|------------------|---------|---------|
| | High (Rs.) | Low (Rs.) | Volume (in lacs) | High | Low |
| April, 07 | 139.90 | 104.15 | 139.90 | 4217.90 | 3617.00 |
| May, 07 | 136.00 | 105.70 | 136.00 | 4306.75 | 3981.15 |
| June, 07 | 125.60 | 103.00 | 125.60 | 4362.95 | 4100.80 |
| July, 07 | 139.90 | 110.05 | 139.90 | 4947.95 | 4304.00 |
| August, 07 | 122.00 | 88.15 | 122.00 | 4532.90 | 4002.20 |
| September, 07 | 124.00 | 88.15 | 124.00 | 5055.80 | 4445.55 |
| October, 07 | 133.95 | 90.25 | 133.95 | 5976.00 | 5001.35 |
| November, 07 | 157.70 | 80.25 | 157.70 | 6011.95 | 5394.35 |
| December, 07 | 178.90 | 128.55 | 178.90 | 6185.40 | 5710.60 |
| January, 08 | 181.00 | 132.15 | 181.00 | 6357.10 | 4448.50 |
| February, 08 | 152.00 | 27.50 | 152.00 | 5545.20 | 4803.60 |
| March, 08 | 31.35 | 23.60 | 31.35 | 5222.80 | 4468.55 |

Note : Equity shares of Rs.10/- each of the company were split into 5 equity shares of Rs.2/- each on 3rd March, 2008.

- i) **Demat of shares** - The Company signed an agreement with NSDL and CDSL during the year 2001 for providing facilities for Demat of shares to the Investors. The trading in equity shares of the Company is permitted compulsorily in Demat form w.e.f. 02.01.2002 as per notification issued by SEBI.
- j) **Registrar & Transfer Agent** - Alankit Assignments Ltd.
205-206, Anarkali Complex,
Jhandewalan Extension,
New Delhi – 110 055
Tel: 011-42541234,
Fax. 011-23541234

k) **Share Transfer System**

The Company has appointed Alankit Assignments Ltd. as its R&T Agent to have a common registry for the demat of shares and transfer of shares in physical segment. In any case, all share transfers are completed within the prescribed time limit from the date of receipt, if document meets the stipulated requirement of statutory provisions in all respects. In case of approval of transfer of shares over 10,000 shares received from a single buyer, Shareholders'/Investors' Transfer/Grievance Committee has power to approve the transfer. The total no. of shares transferred during the year were 48,880. All the transfers were completed within stipulated time.

l) **Distribution of shareholding**

The following is the distribution of shareholding of equity shares of the Company as on 31st March, 2008:-

| Share Holding of nominal value of | | Shareholders | | Shares in lacs | |
|-----------------------------------|----------|--------------|---------------|----------------|---------------|
| | | Number | % of Total | Number | % of Total |
| Rs. | Rs. | | | | |
| 1 | 100 | 1576 | 26.60 | 0.92 | 0.14 |
| 101 | 500 | 2630 | 44.40 | 8.52 | 1.29 |
| 501 | 1,000 | 743 | 12.54 | 5.85 | 0.88 |
| 1,001 | 5,000 | 714 | 12.05 | 16.82 | 2.54 |
| 5,001 | 10,000 | 102 | 1.72 | 7.77 | 1.17 |
| 10,001 | 20,000 | 59 | 1.00 | 8.79 | 1.33 |
| 20,001 | 30,000 | 30 | 0.51 | 7.59 | 1.15 |
| 30,001 | 40,000 | 12 | 0.20 | 4.35 | 0.66 |
| 40,001 | 50,000 | 7 | 0.12 | 3.34 | 0.50 |
| 50,001 | 1,00,000 | 26 | 0.44 | 18.04 | 2.73 |
| 1,00,001 | 5,00,000 | 18 | 0.30 | 33.40 | 5.05 |
| 5,00,001 | & above | 7 | 0.12 | 546.51 | 82.56 |
| TOTAL | | 5924 | 100.00 | 661.89 | 100.00 |

“Group” for inter-se transfer of shares

As required under Clause 3(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997, the following entities constitute “Group” (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of Regulation 10 to 12 of the aforesaid SEBI Regulations :- Apollo Tyres Ltd., Apollo International Ltd., Apollo finance Ltd., Sunrays Prop. & Inv. Co. Pvt. Ltd., Ganga Kaveri Credit & Holding Co. Pvt. Ltd., Sacred Heart Inv. Co. Pvt. Ltd., Kenstar Invest. & Finance Co. Pvt. Ltd., Neeraj Consultants Ltd., Constructive Finance Pvt. Ltd., Motlay Finance Pvt. Ltd., Indus Valley Inv. & Finance Pvt. Ltd., Sargam Consultants Pvt. Ltd., Global Capital Ltd. and Mr. Onkar S. Kanwar along with his family members.

m) Dematerialization of Shares and Liquidity

Around 609.32 lac equity shares of the Company comprising 92.05% of equity capital have been dematerialized till 31.3.2008. The equity shares of the Company are traded at Bombay and National Stock Exchanges.

n) **Plant Location:** : Kalamassery,
Always,
Kerala – 683 104

o) Address for correspondence

i) For share transfer/Demat of shares and any other query relating to Shares : Alankit Assignments Ltd.
205-206, Anarkali Complex,
Jhandewalan Extension,
New Delhi – 110 055
Tel: 011-42541234,
Fax: 011-23541234
E-Mail : mjayrath@alankit.com

ii) For investors assistance : Company Secretary
Share Deptt.
PTL Enterprises Ltd.
6th floor, Cherupushpam Building,
Shanmugham Road, Kochi – 682 031
Tel Nos.: (0484) 2381902-3
Fax : (0484) 2370351
E-Mail : pradeep.khare@apolloytyres.com

p) Code of Conduct of Insider Trading

PTL Enterprises Ltd. has a Code of Conduct for ‘Prevention of Insider Trading’ in the shares of the Company. The Code of Conduct prohibits the purchase/sale of shares of the Company by employees in possession of unpublished price sensitive information pertaining to the Company. Mr. Pradeep Kumar, Company Secretary, has been appointed as Compliance Officer.

The Code of Conduct is applicable to all the Directors, Departmental Heads and such other employees of the Company who are expected to have access to unpublished price sensitive information.

q) **Code of Conduct for Directors and Senior Management**

PTL Enterprises Ltd. has a Code of Conduct for Directors and Senior Management". The Code envisages that Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep them informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

The Code is applicable to all the Directors and senior management of the Company. The Company Secretary is the compliance officer.

Declaration Affirming Compliance of provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of conduct for Directors and senior management personnel during the financial year ending March 31, 2008.

Dated : 9th May, 2008
Place : Gurgaon

For PTL Enterprises Ltd.

Onkar Kanwar

(Onkar S. Kanwar)
Chairman

COMPLIANCE:

The certificate dated 9th May, 2008 obtained from our statutory auditors, M/s. H.N. Mehta Associates, forms part of this Annual Report and the same is given herein:

AUDITORS' CERTIFICATE

AS PER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of PTL Enterprises Ltd.

We have examined the compliance of conditions of corporate governance by PTL Enterprises Ltd. for the year ended 31st March 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on Behalf of
H.N. Mehta Associates
Chartered Accountants

Sd/-
Kiran Pancholi
Partner
Membership No. 33218

Place : Mumbai

Dated : 9th May, 2008

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

Tyre Industry

Indian tyre industry is a Rs.200 billion Industry with 4-5 major players accounting for around 85% of the industry's turnover. There are many other companies, smaller in size, with a focus only on one or two categories of tyres, plus tubes and flaps primarily for the replacement market.

The demand and growth for the industry depends on primary factors like the overall GDP growth, agricultural & industrial production, growth in vehicle demand and secondary factors like infrastructure development, prevailing interest rates and financing options.

The Automotive sector observed a downward trend this year with negative growth in the medium and heavy commercial vehicle segment. However the tyre industry saw a strong demand, led by replacement market growth of over 10% and industry in this segment registered a high single digit growth.

The comparatively stable raw material prices in the first half of FY 2007-08, coupled with the price increases taken by the Industry in FY 2007-08, resulted in all the major players having an improved operating profit margin. This was after four consecutive years of raw material cost-push, both for natural rubber and crude oil-linked raw material basket.

Second half of the year again saw an upward trend for all major raw material prices. The Year ahead looks tough with increasing raw material prices. Though the demand supply situation continues to be in favour of the Industry, the margins are under pressure.

Health Care Business

Healthcare services in India are abysmally inadequate. There is a huge demand for good quality healthcare services, which are easily accessible and affordable. Healthcare services business in India are going through a huge transformation. Corporate Hospitals, with a focus on international standards, cutting edge technology, well trained and skilled doctors are fast gaining centre stage.

The Indian economy continues to grow at a healthy 8-9% per annum, healthcare services are expected to be at the very forefront of this boom. Healthcare services are expected to grow at approx 15% per annum for the next 5-7 years. Healthcare spending is expected to contribute 6.1% of the GDP in 2012.

Healthcare delivery and allied businesses are expected to continue to grow furiously for sometime to come. The paradigm changes being witnessed now in the industry make it one of the most exciting business opportunity.

Presently, Gurgaon, millennium city of Haryana has become preferred location for the Companies for their Corporate Offices/Industrial units, generating a huge demand for healthcare services. PTL Enterprises is ideally placed to capitalize on it through its subsidiary companies with opening of its first hospital of 500 beds by the name of 'Artemis Health Institute'.

2. Opportunities and Threats

SWOT Analysis

Strengths

- ☐ Tyre Plant leased to a leading Tyre Manufacturing Company, Apollo Tyres Ltd.
- ☐ Experienced Team of Workers
- ☐ Fixed income from lease rent of Tyre Plant
- ☐ Diversification by entering into Health Care Business through its Subsidiaries which is a sunrise sector
- ☐ Setting up facility to manufacture Speciality Tyres like industrial tyres, farm implement tyres, floatation tyres etc. at land acquired at Irapuram (Kerala)

Weakness

- ☐ Old Plant and Machinery of tyre manufacturing
- ☐ No direct presence in the tyre market
- ☐ No previous experience in Health Care segment

Opportunities

- ☐ Production of 'Apollo' brands updates the manufacturing technology of Tyre Plant
- ☐ Dynamic and quick decision making
- ☐ Assured revenue through lease arrangement with Apollo Tyres Ltd.
- ☐ Proposal to relocate existing plant at Kalamassery (Kerala) to Irapuram will create space for growth of residential and commercial infrastructure in Kalamassery city.
- ☐ Increasing trend in medical tourism
- ☐ It is estimated that by 2012 India will need 1 million additional beds. 89% of this will come through investments by the private sector.
- ☐ Acquisition of medium to large hospitals in metros, state capitals and tier one cities

Threats

External

- ☐ Growing radicalization in the industry
- ☐ Increasing competition in Health Care Business
- ☐ Competition with big corporate brands in Hospital segment

Internal

- ☐ To rely on Apollo Tyres Ltd. for Lease Rentals

3. Segment wise performance

Products manufactured by the Company, are being marketed by Apollo Tyres Ltd. under its brand name "Apollo". The truck/bus tyres produced in the company's plant are largely exported by Apollo Tyres Ltd.

Artemis Health Institute, the subsidiary company's hospital at Gurgaon has started its operations from July, 2007, onwards for the general public with an investment of Rs. 200 cr.

The hospital is a multi speciality tertiary care facility with a focus on Oncology, Cardiovascular Services and Orthopaedics. The hospital also has facilities related to other specialities such as Internal Medicine, Obstetrics and Gynaecology, General and Laparoscopic Surgery, Bariatric and Minimally Invasive Surgery, Plastic and Reconstructive Surgery, Ophthalmology, Paediatrics, Nephrology, Urology, ENT etc.

The hospital is equipped with the latest in technology available anywhere in the world. The major equipment includes a 3 T MRI, 64 slice CT Angio, PET CT, Linear Accelerator, Mammography (both conventional as well as the experimental optical mammography), Gamma Camera and a Doppler.

Artemis Health Institute has been awarded the "Most Promising Start-up Healthcare Company of the Year" at The Healthcare Excellence Awards 2008 organised by The Express Group and Express Healthcare. These awards honour visionaries in the field of Healthcare; Companies with a consuming passion to touch, heal and renew lives; Companies who believe in the impossible dream.

The award has been given to Artemis on the basis of criteria like hospital infrastructure, operational efficiency, expertise of health care service providers, patient care services, hospital protocols and processes, marketing, customer relationship management and community service programme.

4. Outlook

PTL is setting up a new Greenfield Project at Irapuram (Kerala) for manufacturing of bias tyres in three phases. In the first phase, new range of speciality tyres like industrial tyres, farm implement tyres, floatation tyres etc. which is a niche, high contribution product segment, shall be introduced. In second phase, existing manufacturing capacity from Kalamassery plant will be shifted to Irapuram which will create space for growth of residential and commercial infrastructure in Kalamassery city. In third phase, capacity and product range will be enhanced to meet up to changing market needs.

The subsidiary's hospital 'Artemis Health Institute' has a very positive outlook for the year ahead. The hospital has started doing well and is now attracting patients from the NCR as well as the neighbouring upcountry areas.

This year the focus will be on increasing the reach of the hospital in North India and North East India. The hospital is also aiming for establishing its footprint in international markets namely in USA, Middle East and Africa.

Artemis Health Institute is all set to launch new innovative initiatives such as a cardiac Support Group called 'Artemis Heart Club', a similar program for the morbidly obese and also a neighbourhood program.

Artemis has initiated out patient OPD in Jammu and Srinagar and will expand the program to other cities in North India. Artemis will also hold an International Conference on Cancer in November, 2008.

In an attempt to spread the healthcare services across India, an MoU has been signed with the Govt. of Gujarat for a 95 acre property to set up a medical college-cum-hospital, nursing, paramedical, hospital administration and ayurvedic medicine college with an investment of Rs. 500 cr. Simultaneously, the possibility of setting up an ayurvedic park in Cochin is also being explored.

5. Risk and concerns

The growth of tyre industry is dependent on the growth in automobile industry which is cyclical in nature. Most of the raw materials are petroleum based and their prices are linked to the movement in crude oil prices. Natural rubber which is one of the major component of the total raw material cost is an agricultural product and is subject to price volatility resulting from speculating activities

The healthcare segment is dependent upon the skill and knowledge of the Doctors, retention of the existing talent and drawing the best talent is the major concern area. To keep most modern and latest equipments is biggest challenge in this sector with the fast changing technology and increasing number of diseases. There are also risks connected with medico legal cases.

6. Information Technology/Internal Control Systems and their adequacies

The company has proper and adequate systems for Internal Controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

The audit committee carries out an exhaustive program of internal audits. The internal controls systems are designed to ensure that financial statements and other records are reliable for preparing financial statements and other data for monitoring accountability of assets.

The company has an adequate risk management process which involves identification and quantification of various risks, setting out mitigation plans and action taken thereto and evaluation of residual risk.

The Artemis Health Institute has hospital information system (HIS) which links all the hospital services thus ensuring a paperless and filmless environment. The HIS has been sourced from IBA Healthcare, which is an Australian IT company with a global foot print and more than 100 installations world wide.

7. Discussion on Financial Performance with Respect to Operational Performance

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1956 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The management of the Company accepts the integrity and objectivity of these financial statements as well as the various estimates and judgements used therein. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form of transactions reasonably present the Company's state of affairs and profit for the year.

| Sl.No | Particulars | (Rs./Lacs) | |
|-------|------------------------------------|--------------------------|--------------------------|
| | | Year ended 31.03.2008 | Year ended 31.03.2007 |
| 1 | Other Income | 2,093.14 | 1,570.97 |
| 2 | Total Expenditure | | |
| | - Manufacturing and other Expenses | 394.66 | 362.69 |
| 3 | Operating Profit | 1,698.48 | 1,208.28 |
| 4 | Interest | 597.58 | 145.04 |
| 5 | Depreciation | 16.09 | 16.74 |
| 6 | Profit before Tax | 1,084.81 | 1,046.50 |
| 7 | Provision for Tax- Current | 463.36 | 418.65 |
| | - Deferred | (325.92) | (2.10) |
| | - Fringe Benefit Tax | 0.79 | 0.88 |
| 8 | Net Profit after Tax | 946.58 | 629.07 |

8. Material Development in Human Resources / Industrial Relations.

The human resource is a key to success of any Company. The Company is developing its employees and rewarding them to attract and retain the best talent in the Company.

The Industrial relations, by and large, were cordial.

The number of people directly employed by the Company stood at 1,233 as of 31st March, 2008.

NOTE:

This report contains forward-looking statements that describe our objectives, plans or goals. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditure and financial results, are forward looking statements. These are subject to certain risks and uncertainties, including but not limited to, government action, local, political or economic development, technological risks, risks inherent in the Company's growth strategy, dependence on certain customers, technical personnel and other factors that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Investors should bear this in mind as they consider forward-looking statements.

AUDITORS' REPORT TO THE MEMBERS OF PTL ENTERPRISES LTD.

We have audited the attached Balance Sheet of **PTL Enterprises Ltd.**, as at 31st March 2008 along with the Profit and Loss Account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

- I. As required by the Companies (Auditors' Report) Order, 2003, issued by the Department of Company Affairs, in terms of Section 227 (4A) of the Indian Company's Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
- II. Further to our comments in the Annexure referred to in paragraph I above:
 1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 3. The Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this Report are in agreement with the books of account;
 4. In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement of the Company dealt with by this report, read with the notes and significant Accounting Policies, comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Company's Act, 1956;
 5. On the basis of written representations received from the Directors and taken on record by the Board of Directors we report that none of the directors of the company is, prima facie, as at 31st March, 2008 disqualified from being appointed as directors of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 6. In our opinion and to the best of our information and according to the explanations given to us, the accounts, read with the notes and significant accounting policies thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
- c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For and on Behalf of
H.N. Mehta Associates
Chartered Accountants

Sd/-
Kiran Pancholi
Partner
Membership No. 33218

Dated: 9th May, 2008
Place: Mumbai

Annexure referred to in paragraph-I of the Auditors' Report to the members of PTL Enterprises Ltd. on the accounts for the year ended 31st March, 2008

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) Verification of Fixed Assets is being conducted by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. As explained to us, no discrepancies noticed on such verification.
- (c) As the Company has disposed off an insignificant part of the fixed assets during the year, paragraph 4 (i) (c) of the Companies (Auditors' Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
- ii) (a) At the year end, as explained the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. As explained to us, no discrepancies noticed on physical verification of inventories as compared to book records.
- iii) (a) According to the information and explanations given to us, the Company has granted /taken unsecured loans to/from company covered in the register maintained under Section 301 of the Companies Act, 1956. Number of parties is three and maximum amount involved in the transactions are to the tune of Rs. 7,789.50 lacs.
- (b) The rate of interest and other terms and conditions on which loans given/taken by the Company, as explained, are prima facie not prejudicial to the interest of the Company.
- (c) The payment of principal amount and interest, wherever applicable, are also regular.
- (d) There is no overdue amount of loans taken by /granted to companies listed in the Register maintained u/sec. 301 of the Companies Act, 1956.
- iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the underlying internal controls.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained u/sec. 301

of the Companies Act, 1956 and exceeding the value of Rs.5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- vi) The Company has not accepted any chargeable deposit from the public during the year.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) The Department of Company Affairs vide it's File No. 52/366/CAB-89 Dated 27.12.2007 had exempted Premier Tyres Ltd. from the requirement of Cost Audit for the year 2006-07 subject to the condition that cost audit report of Apollo Tyres Ltd. for the financial year 2006-2007 should also cover the reporting of this company's unit *and as explained to us an application has to be made requesting for an extension of exemption for the year 2007-08 in view of status quo of lease of factory to Apollo Tyres Ltd.*
- ix)
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education protection fund, employees' state insurance, income tax , professional tax and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax and Cess were in arrears at the year end for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company and information and explanations given to us, there are dues of Income tax and sales tax aggregating to Rs. 306.90 Lacs, which have not been deposited on account of various disputes in appeal, the details of which are set out in notes to accounts vide Note No. B.1 of schedule 10.
- x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial years covered by our audit and immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of term loan dues to banks as at the balance sheet date.
- xii) As Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Order is not applicable.
- xiii) As the Company is not a chit fund / nidhi/ mutual benefit funds / society to which the provisions of special statute relating to chit fund are applicable, paragraph 4 (xiii) of the Order is not applicable.
- xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.
- xv) The Company is continuing its charge created on its assets for term loan taken by its wholly owned sub-subsidiary company Artemis Medicare Services Private Ltd. during the year 2006-2007 and as explained, it is not prejudicial to the interest of the company.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company was applied for the purpose for which these loans were raised.

- xvii) As the Company has, during the year, not raised any funds on short term basis, paragraph 4 (xvii) of the Order is not applicable.
- xviii) As the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, paragraph 4 (xviii) of the Order is not applicable.
- xix) As the Company has not issued any debentures, paragraph 4 (xix) of the Order is not applicable.
- xx) During the year, since the Company has not raised money by way of public issue, paragraph 4 (xx) of the Order is not applicable.
- xxi) Based upon the audit procedures performed along with information and explanations given by the management, we report that, no fraud on or by the Company has been noticed during the course of our audit for the year under report.

For and on Behalf of
H.N. Mehta Associates
Chartered Accountants

Sd/-
Kiran Pancholi
Partner
Membership No. 33218

Dated: 9th May, 2008
Place: Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2008

| | Schedule | As at 31st March, 2008 Rs. Lacs | As at 31st March, 2007 Rs. Lacs |
|--|-----------------|--|--|
| SOURCES OF FUNDS | | | |
| Shareholder's Funds : | | | |
| Share Capital | 1 | 1,323.77 | 1,323.77 |
| Reserves and Surplus | 2 | 1,987.91 | 1,273.65 |
| | | 3,311.68 | 2,597.42 |
| Loans : | 3 | | |
| Secured | | 5,331.91 | 2503.94 |
| Unsecured | | 5.60 | 5.90 |
| | | 5,337.51 | 2,509.84 |
| Deffered Tax (Assets)/Liability (Net) | | (295.18) | 30.74 |
| T O T A L | | 8,354.01 | 5,138.00 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | 4 | | |
| Gross Block | | 2,276.54 | 1,759.85 |
| Less : Depreciation | | 1,575.20 | 1,559.57 |
| Net Block | | 701.34 | 200.28 |
| Capital Work in Progress | | 112.90 | 32.77 |
| | | 814.24 | 233.05 |
| Investments | 5 | 6,001.11 | 6,231.11 |
| Current Assets, Loans and Advances : | 6 | | |
| Inventories | | 17.66 | 17.66 |
| Cash and Bank Balances | | 250.34 | 187.34 |
| Loans and Advances | | 5,475.50 | 1,118.34 |
| | | 5,743.50 | 1,323.48 |
| Less: Current Liabilities and Provisions | 7 | 4,204.84 | 2,649.64 |
| Net Current Assets | | 1,538.66 | (1,326.16) |
| T O T A L | | 8,354.01 | 5,138.00 |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS | 10 | | |

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman
PRADEEP KUMAR
Company Secretary

Gurgaon
9th May, 2008

NEERAJ KANWAR
HARISH BAHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S. OBEROI

Directors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

| | Schedule | Year Ended 31st March, 2008 Rs. Lacs | Year Ended 31st March, 2007 Rs. Lacs |
|--|-----------------|---|---|
| INCOME | | | |
| Other Income | 8 | 2,093.14 | 1,570.97 |
| | | <u>2,093.14</u> | <u>1,570.97</u> |
| EXPENDITURE | | | |
| Manufacturing and Other Expenses | 9 | 394.66 | 362.69 |
| Depreciation | 4 | 16.09 | 16.74 |
| Interest & Bank Charges | | 597.58 | 145.04 |
| | | <u>1,008.33</u> | <u>524.47</u> |
| Profit / (Loss) Before Tax | | 1,084.81 | 1,046.50 |
| Provision for Current Tax | | 463.36 | 418.65 |
| Provision for Deferred Tax | | (325.92) | (2.10) |
| Provision for FBT | | 0.79 | 0.88 |
| Net Profit | | 946.58 | 629.07 |
| Balance brought forward from previous year | | 1,223.58 | 594.51 |
| Appropriations | | | |
| Transfer to General reserve | | 300.00 | - |
| Proposed Dividend | | 198.57 | - |
| Dividend tax | | 33.75 | - |
| Balance carried to Balance Sheet | | <u>1,637.84</u> | <u>1,223.58</u> |
| Basic and Diluted Earnings Per Share | | | |
| Post Share Split Face Value of Rs.2/- each | | 1.43 | 0.95 |
| Prior to Share Split Face value of Rs 10/- each | | 7.15 | 4.75 |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES | | | |
| ON ACCOUNTS | 10 | | |

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman
PRADEEP KUMAR
Company Secretary

Gurgaon
9th May, 2008

NEERAJ KANWAR
HARISH BAHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S. OBEROI

Directors

CASH FLOW STATEMENT

(Rs./Lacs)

| | Year Ended 31st Mar 2008 | Year Ended 31st Mar 2007 |
|--|-----------------------------|-----------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| (i) NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS | 1,084.81 | 1,046.50 |
| Add -Depreciation for the year | 16.09 | 16.74 |
| - Provision For Gratuity | 203.65 | 190.90 |
| - Provision For Leave Encashment | 81.46 | - |
| - Lease premium on Land W/off | 5.32 | - |
| - Interest and Bank Charges | 597.58 | 145.04 |
| - Loss (Profit) on Sale of Assets | 0.48 | (0.11) |
| | 904.58 | 352.57 |
| (ii) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 1,989.39 | 1,399.07 |
| Adjustment For | | |
| - Trade & Other Receivable | (4,079.34) | 51.36 |
| - Trade Payables | 1,024.97 | 1,734.98 |
| | (3,054.37) | 1,786.34 |
| (iii) CASH GENERATED FROM OPERATIONS | (1,064.98) | 3,185.41 |
| - Direct Taxes paid | (741.97) | (505.17) |
| (iv) NET CASH FLOW FROM OPERATING ACTIVITIES | (1,806.95) | 2,680.24 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| - Purchase of Fixed Assets including CWIP | (603.18) | (28.51) |
| - Sale of Fixed Assets | 0.10 | 0.57 |
| - Sale of Investment | 230.00 | (6,000.00) |
| NET CASH USED IN INVESTING ACTIVITY | (373.08) | (6,027.94) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| - Interest and Bank Charges Paid | (584.78) | (136.59) |
| - Increase in Long Term Borrowing | 2,827.97 | 2,503.94 |
| - Repayment of Dealers security deposit | (0.30) | - |
| NET CASH USED IN FINANCING ACTIVITIES | 2,242.89 | 2,367.35 |
| Net Increase in Cash or Cash Equivalents | 62.86 | (980.35) |
| Cash or Cash Equivalent as on 01.04.07 (01.04.06) | 187.48 | 1,167.83 |
| Cash or Cash Equivalent as on 31.03.08 (31.03.07) | 250.34 | 187.48 |

Note:- The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman
PRADEEP KUMAR
Company Secretary

Gurgaon
9th May, 2008

NEERAJ KANWAR
HARISH BAHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S. OBEROI

Directors

SCHEDULES

ANNEXED TO THE ACCOUNTS

SCHEDULE 1- SHARE CAPITAL

| | As at 31st March, 2008 Rs. Lacs | As at 31st March, 2007 Rs. Lacs |
|---|---------------------------------------|---------------------------------------|
| AUTHORISED | | |
| 10,00,00,000 Equity Shares of Rs 2/-each (Previous year 2,00,00,000 Equity Shares of Rs. 10/- each) | <u>2,000.00</u> | <u>2,000.00</u> |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 6,61,88,500 Equity Shares of Rs 2/- each (Previous Year 1,32,37,700 Equity Shares of Rs. 10/- each) (Note B. 2) | <u>1,323.77</u> | <u>1,323.77</u> |

Notes: of the above shares:

- (i) 26,24,800 Equity Shares of Rs 2/-each (Previous year 5,24,960 Equity Shares of Rs 10/-each) allotted as fully paid-up pursuant to contracts without payment being received in cash.
- (ii) 15,00,000 Equity Shares of Rs2/-each (Previous year 3,00,000 Equity Shares of Rs10/-each) issued as fully paid-up by way of Bonus Shares by capitalisation of reserves.
- (iii) 4,48,17,575 Equity Shares of Rs2/- each (Previous year 91,58,515 of Rs 10/-) held by the holding company Constructive Finance Pvt Ltd at the year end.

SCHEDULE 2- RESERVES & SURPLUS

| | As at 31st March, 2008 Rs. Lacs | As at 31st March, 2007 Rs. Lacs |
|---|---------------------------------------|---------------------------------------|
| Capital Reserve | 0.10 | 0.10 |
| General Reserve (Transferred during the year) | 300.00 | - |
| Surplus as shown in Profit & Loss Account | 1,637.84 | 1,223.58 |
| Capital Redemption Reserve | 49.97 | 49.97 |
| | <u>1,987.91</u> | <u>1,273.65</u> |

SCHEDULE 3- LOANS

| | As at 31st March, 2008 Rs. Lacs | As at 31st March, 2007 Rs. Lacs |
|---|---------------------------------------|---------------------------------------|
| SECURED LOANS : | | |
| TERM LOAN | | |
| Term Loan from SBI Cochin (Rent Plus) | | |
| (Secured by equitable mortgage of Land) | 3,329.96 | 1,053.94 |
| Term Loan from Yes Bank New Delhi | | |
| (Secured by Escrowing of Lease Rentals) | 2,001.95 | 1,450.00 |
| | <u>5,331.91</u> | <u>2,503.94</u> |
| UNSECURED LOANS : | | |
| Dealers' Security Deposits | 5.60 | 5.90 |
| | <u>5,337.51</u> | <u>2,509.84</u> |

SCHEDULE 4 - FIXED ASSETS

(Rs. Lacs)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | NET BLOCK | |
|---|---------------------------|-----------|------------|---------------------------|-----------------|------------|---------------------------|---------------------------|
| | As at 31st March, 2007 | Additions | Deductions | As at 31st March, 2008 | For the Year | To Date | As at 31st March, 2008 | As at 31st March, 2007 |
| Land | 15.31 | - | - | 15.31 | - | - | 15.31 | 15.31 |
| Lease Hold Land | - | 522.32 | 5.32* | 517.00 | - | - | 517.00 | - |
| Buildings | 308.98 | - | - | 308.98 | 6.74 | 175.02 | 133.96 | 140.70 |
| Plant & Machinery | 1,337.31 | - | - | 1,337.31 | 8.94 | 1,306.43 | 30.88 | 39.82 |
| Electrical Installation and Equipments | 35.89 | - | - | 35.89 | - | 35.89 | - | - |
| Furniture, Fixture and Appliances | 62.36 | 0.73 | 1.04 | 62.05 | 0.41 | 57.86 | 4.19 | 4.45 |
| T O T A L | 1,759.85 | 523.05 | 6.36 | 2,276.54 | 16.09 | 1,575.20 | 701.34 | 200.28 |

* Rs 5.32 Lacs represents proportionate lease premium written off

SCHEDULE 5- INVESTMENTS : (AT COST)

| | As at 31st March, 2008 Rs. Lacs | As at 31st March, 2007 Rs. Lacs |
|---|--|--|
| OTHER SHARES | | |
| UNQUOTED | | |
| Cochin Co-operative Hospital Society 1 Share of Rs. 10,000/- each fully paid | 0.10 | 0.10 |
| Premier Tyres Employees' Co-operative Stores 10 Shares of Rs. 100/- each fully paid | 0.01 | 0.01 |
| Apollo International Ltd. 2,30,000 8% Optionally Convertible Privately Placed non-transferable Debentures of Rs 100/ each fully paid | - | 230.00 |
| Artemis Health Sciences Pvt. Ltd. 100,10,000 Equity shares of Rs 10/-each fully paid | 6,001.00 | 1.00 |
| | <u>6,001.11</u> | <u>6,231.11</u> |

SCHEDULE 6- CURRENT ASSETS, LOANS AND ADVANCES

| | As at 31st March, 2008 Rs. Lacs | As at 31st March, 2007 Rs. Lacs |
|---|--|--|
| CURRENT ASSETS, LOANS AND ADVANCES | | |
| INVENTORY - (as valued and certified by management) | | |
| Stores and Spares | 17.66 | 17.66 |
| | <u>17.66</u> | <u>17.66</u> |
| SUNDRY DEBTORS | | |
| Considered Doubtful | 139.80 | 139.80 |
| Less Provisions | (139.80) | (139.80) |
| | <u>-</u> | <u>-</u> |
| CASH AND BANK BALANCES : | | |
| Cash in hand | 1.70 | 1.74 |
| Current Accounts | 248.64 | 185.74 |
| Deposit Accounts | - | - |
| | <u>250.34</u> | <u>187.48</u> |
| LOAN AND ADVANCES : | | |
| (Unsecured, Considered Good) | | |
| Advances recoverable in cash or in kind or for value to be received* | 5,105.36 | 1,028.87 |
| Advance Income Tax and FBT | 2,019.87 | 1,277.90 |
| Less: Provision for Taxation | 1,653.17 | 1,189.02 |
| | <u>366.70</u> | <u>88.88</u> |
| Current balances with Customs, Central Excise, Municipal and Sales Tax | 26.68 | 23.83 |
| Less: Provision for Doubtful Advances | (23.24) | (23.24) |
| | <u>3.44</u> | <u>0.59</u> |
| | <u>5,475.50</u> | <u>1,118.34</u> |
| | <u>5,743.50</u> | <u>1,323.48</u> |

* Includes Rs 3028.80 lacs (Previous year Rs 880.43 lacs) as advance against share capital to subsidiary company Artemis Health Science Pvt Ltd and Rs 1958.63 lacs (Previous year Rs16.41lacs) advance to Sub subsidiary company Artemis Medicare Services Pvt Ltd

SCHEDULE 7- CURRENT LIABILITIES AND PROVISIONS

| | As at 31st March, 2008 Rs. Lacs | As at 31st March, 2007 Rs. Lacs |
|----------------------------|---------------------------------------|---------------------------------------|
| CURRENT LIABILITIES | | |
| Sundry Creditors | 1.74 | 14.83 |
| Other Liabilities | 3,018.77 | 1,967.91 |
| | <u>3,020.51</u> | <u>1,982.74</u> |
| PROVISIONS | | |
| For Proposed Dividend | 198.57 | - |
| For Dividend Tax | 33.75 | - |
| For Gratuity | 870.55 | 666.90 |
| For Leave Encashment | 81.46 | - |
| | <u>1,184.33</u> | <u>666.90</u> |
| | <u>4,204.84</u> | <u>2,649.64</u> |

SCHEDULE 8- OTHER INCOME

| | Year Ended 31st March, 2008 Rs. Lacs | Year Ended 31st March, 2007 Rs. Lacs |
|--|--|--|
| Sundry Sales and Miscellaneous Income | 0.13 | 0.23 |
| Profit on Sale of Assets (Net) | - | 0.11 |
| Income from Lease/services * | 2,000.00 | 1,500.00 |
| Interest Received* | 36.41 | 52.23 |
| Income from Investment* | 15.85 | 18.40 |
| Additional Compensation Land Acquisition * | 40.75 | - |
| | <u>2,093.14</u> | <u>1,570.97</u> |
| *Tax Deducted at Source | <u>518.58</u> | <u>352.45</u> |

SCHEDULE 9- MANUFACTURING & OTHER EXPENSES

| | Year Ended 31st March, 2008 Rs. Lacs | Year Ended 31st March, 2007 Rs. Lacs |
|--|--|--|
| EMPLOYEES | | |
| Salaries, Wages and Bonus * | 2,156.85 | 2,184.79 |
| Contribution to Provident and Other Funds | 182.21 | 159.07 |
| Welfare Expenses | 68.71 | 166.38 |
| Gratuity | 325.43 | 265.23 |
| MANUFACTURING, ADMINISTRATIVE AND SELLING | | |
| Power and Fuel Consumption | 912.17 | 899.32 |
| Freight and Delivery Expenses | 0.15 | - |
| Advertisement | 3.78 | 3.78 |
| Rent | 7.01 | 6.99 |
| Rates and Taxes | 7.88 | 3.72 |
| Insurance | 15.25 | 16.69 |
| Travelling and Conveyance Expenses | 9.73 | 42.48 |
| Directors' Fee | 4.10 | 3.60 |
| Payment to Statutory Auditors | 1.53 | 1.85 |
| Legal and Professional Charges | 32.69 | 64.64 |
| Loss on sale of assets | 0.48 | - |
| Repair and Maintenance | | |
| - Sundries | 0.33 | - |
| Printing, Stationery, Postage Telegram & Telephone etc. | 8.93 | 7.08 |
| Re-imbursement towards utilisation of Computer & other ATL Facilities | 32.04 | 36.00 |
| Lease premium of Lease hold Land-written off | 5.32 | - |
| Miscellaneous Expenses | 2.79 | 4.16 |
| | <u>3,777.38</u> | <u>3,865.78</u> |
| Less: Reimbursement of Expenses from Apollo Tyres Ltd. | <u>3,382.72</u> | <u>3,503.09</u> |
| | <u>394.66</u> | <u>362.69</u> |

* including Rs 53.36 Lacs prior period items being provision towards liability for Leave Encashment.

SCHEDULE 10- SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of preparation** : The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.
2. **Use of Estimate** : The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.
3. **Fixed Assets** : Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Leasehold Land is amortised over the period of lease proportionately.
4. **Borrowing Costs** : Borrowing Costs are capitalized as a part of qualifying asset when it results in future economic benefits. Other borrowing costs are expensed.
5. **Impairment of Assets** : The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
6. **Investments** : Investments are stated at Cost and provision for diminution is made if the decline in the value is other than temporary in nature.
7. **Inventory Valuation** : Inventories are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.
8. **Depreciation** : Depreciation on fixed assets is provided on the straight-line basis at the rates specified in Schedule XIV of the Companies Act, 1956, classifying certain plant and machinery as continuous process plant.
9. **Revenue recognition**: Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

10. Employee Benefits:

- Liability for gratuity to employees determined on the basis of actuarial valuation as on balance sheet date.
- Liability for long term compensated absences is determined on the basis of actuarial valuation as on the balance sheet date.
- Contributions to defined contribution schemes such as provident fund, employees pension fund and cost of other benefits are recognised as an expense in the year incurred. Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the profit & Loss account as income or expense.

11. Taxes on Income : Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

12. Expenditure on New Projects : Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

13. Provisions : A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value, except gratuity and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

14. Reimbursement of Expenses : The manufacturing and operating expenses of the company reimbursed by M/s Apollo Tyres Ltd. in terms of operating lease are deducted from the total expenses and only net expenses are taken to Profit & Loss account.

B. NOTES ON ACCOUNTS**1. Contingent Liabilities**

| Name of the Statute | Nature of Dues | Amount (Rs. Lacs) 2007-08 | Forum where Dispute is pending | Period to which current year amount relates |
|---------------------|--------------------|---|---|---|
| Sales Tax | Disputed Demands | 117.12 19.31 <u>1.13</u> <u>137.56</u> | High Court Sales Tax Tribunal -do- | 1987-88 to 1993-94 1995-96 1998-99 |
| Income Tax | Disputed Demands | 140.94 <u>28.40</u> <u>169.34</u> | Comm. Income Tax -do- | AY 2004-05 AY 2005-06 |
| Employee Liability | Disputed Liability | 0.21 | Consumer Redressal Form | 2004-05 |
| Employee Liability | Disputed Liability | 0.29 | Labour Court Jalandhar | 2004-05 |

| Name of the Statute | Nature of Dues | Amount (Rs. Lacs) 2006-07 | Forum where Dispute is pending | Period to which current year amount relates |
|---------------------|--------------------|---|---|---|
| Sales Tax | Disputed Demands | 117.12 19.31 <u>1.13</u> <u>137.56</u> | High Court Sales Tax Tribunal -do- | 1987-88 to 1993-94 1995-96 1998-99 |
| Income Tax | Disputed Demands | 140.94 | Comm. Income Tax | AY 2004-05 |
| Employee Liability | Disputed Liability | 0.21 | Consumer Redressal Form | 2004-05 |
| Employee Liability | Disputed Liability | 0.29 | Labour Court Jalandhar | 2004-05 |

2. Pursuant to the resolution passed by the shareholders by way of Postal Ballot on 14th Feb 2008, the equity shares of Rs 10/- each of the company has been sub divided into 5 equity shares of Rs 2/- each with effect from the record date on 3rd March 2008.

3. Artemis Medicare Services Pvt Ltd. a sub-subsidiary of the Company has availed a loan of Rs 5,000 Lacs from State Bank of India, Ernakulam & a loan of Rs. 5,000 lacs from State Bank of Mysore, New Delhi. The Loan is secured by a charge over the entire fixed assets of the Company.
4. a). A deferred tax assets (Net) amounting to Rs 325.92 lacs has been recognised in the accounts for the year in accordance with the Accounting standard (AS 22) "Accounting for taxes on Income". The deferred tax asset in respect of gratuity and leave encashment liability has been recognised during the year in view of the sustained profitability and regular tax payouts.
- b). The Components of Net Deferred Tax (Assets)/Liability as on 31st March 2008 are as under:

| PARTICULARS | 31 st March 2008 | 31 st March 2007 |
|--|-----------------------------|-----------------------------|
| a) Deferred Tax Liability on timing difference arising on Depreciation | 28.41 | 30.74 |
| b) Deferred Tax Assets on timing difference arising on provision for Gratuity & Leave encashment Liability | (323.59) | - |
| Net Deferred Tax Rs | (295.18) | 30.74 |

5. The Company had taken 20.78 acres of land on 90 years lease w.e.f. 24.05.2007 at a premium of Rs 519.50 lacs and the premium with other capitalised cost is amortized over a period of 90 years. Monthly lease rental, lighting expenses, water charges etc are debited as revenue expenditure.
6. The investment in Subsidiary company Artemis Health Sciences Pvt Ltd to the extent of 10 equity shares of Rs 10/-each are held in the name of nominees.
7. The Company has given its plant, on operating lease, to Apollo Tyres Ltd. for a period of eight years w.e.f. 01.04.2006, which is renewable at a rate to be mutually agreed. The lease rent amounting to Rs 2,000 Lacs received for the year as per the lease agreement, has been credited to Profit & Loss Account.
8. The Company's operation predominantly comprises of only one segment –Income from lease of plant to Apollo Tyres Ltd as per agreement and there are no other business/ geographical segments to be reported as required under Accounting Standard (AS17) "Segmental Reporting" issued by The Institute of Chartered Accountants of India.
9. Some of the Sundry Creditors and unsecured loans are subject to confirmation.
10. As per information available with the company
- | | | |
|--|---|-----|
| (a) Amount due to Micro, Medium & Small Enterprises | - | Nil |
| (b) Amount due to Investor Education & Protection Fund | - | Nil |

11. **PAYMENTS TO STATUTORY AUDITORS**

| | For the Year Ended 31 st March, 2008 Rs. Lacs | For the Year ended 31 st March, 2007 Rs. Lacs |
|-------------------|---|---|
| (1) As Audit fee | 0.75 | 0.84 |
| (2) Tax Audit | 0.15 | 0.17 |
| (3) Certification | 0.63 | 0.84 |
| | <u>1.53</u> | <u>1.85</u> |

12. Information pursuant to the provision of para 3 and 4 of part II of Schedule VI of the Companies Act 1956 (Quantitative information as certified by the Management)

| A) INSTALLED CAPACITY AND PRODUCTION | | | | |
|--|--|-------------|--|-------------|
| Class of goods | Installed Capacity | Production* | Installed Capacity | Production* |
| | Nos | Nos | Nos | Nos |
| | 2007-2008 | | 2006-2007 | |
| Automotive Tyres | 6,00,000 | — | 6,00,000 | — |
| * No production has been shown as the plant of the Company has been given on lease to Apollo Tyres Ltd . | | | | |
| | For the Year Ended 31st March 2008 | | For the Year Ended 31st March 2007 | |
| | Nos | Rs Lacs | Nos | Rs Lacs |
| B) SALES | | | | |
| Automotive Tyres | — | — | — | — |
| C) STOCKS | | | | |
| Automotive Tyres | | | | |
| Opening Stock | — | — | — | — |
| Closing Stock | — | — | — | — |

13. Earnings Per Share (EPS)

The Numerator and denominator used to calculate Basic and Diluted Earnings per share:

| | For the Year Ended 31st March 2008 | For the Year Ended 31st March 2007 |
|---|--|--|
| Profit attributable to Equity Share Holders(Rs lacs) –A | 946.58 | 629.07 |
| Basic number of equity shares Outstanding during the year-B | 6,61,88,500 | 1,32,37,700 |
| Basic /Diluted Earnings Per Share of Rs 2/- (Previous year Rs 10/-) (A/B) | 1.43 | 4.75 |

14. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company at 15 days salary (last drawn salary) for each completed year of service.

The following table summaries the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet. (Net of reimbursement from Apollo Tyres Ltd.)

Profit & Loss Account

| | Rs. Lacs |
|---|----------------------|
| Employee benefit expenses (recognised in employees cost) | 2007-08 |
| Current Service Cost | 41.39 |
| Interest Cost | 48.48 |
| Net Actuarial Loss | 113.78 |
| Benefit Paid | 121.78 |
| Benefit Reimbursed | (121.78) |
| | <u>203.65</u> |

Balance Sheet

| Details of Provision For Gratuity | Rs. Lacs |
|---|----------------|
| Particulars | 2007-08 |
| Defined benefit obligation (As on 31.03.2008) | 870.55 |
| Net Asset/(Liability) recognized | (870.55) |

Changes in the present value of the defined benefit obligation are as follows :

| Particulars | Rs. Lacs |
|--|----------------------|
| | 2007-08 |
| Present value of obligations as at the beginning of the year | 666.90 |
| Interest cost | 48.48 |
| Current Service Cost | 41.39 |
| Actuarial Loss on obligation | 113.78 |
| Benefit Paid | 121.78 |
| Benefit Reimbursed | (121.78) |
| Present value of obligations as at the end of the years | <u>870.55</u> |

Principal actuarial assumptions

| Particulars | Rate (%) |
|-----------------------------------|-----------------|
| a) Discount rate as on 31.03.2008 | 8.00 |
| b) Future salary increase | 4.00 |

The estimate of future salary increase takes into account inflation, seniority, promotions and other relevant factors.

The prior year comparable are not given since the revised AS 15 is applicable from April 1, 2007.

15. Disclosure of the relationship and transactions in accordance with Accounting standard 18- Related Party Disclosures issued by the Institute of Chartered Accountants of India

| NAME OF THE RELATED PARTIES | RELATIONSHIP | TRANSACTION TYPES |
|---|--|--|
| Where Control Exists : | | |
| Constructive Finance Pvt.Ltd | Holding Company (Group Company) | |
| Artemis Health Sciences Pvt Ltd (AHSP Ltd) | Subsidiary Company | Advance for Equity Shares |
| Artemis Medicare Services Pvt Ltd | Sub Subsidiary Company through AHSP Ltd | 1) Loan given 2) Interest Income |
| Artemis Life Sciences Pvt Ltd | Sub Subsidiary Company through AHSP Ltd | |
| Artemis Mediequipments Pvt Ltd | Sub Subsidiary Company through AHSP Ltd | |
| Artemis Medical Institute & Hospitals Pvt Ltd | Sub Subsidiary Company through AHS PLtd | |
| Where Significant Influence Exists : | | |
| Apollo Tyres Ltd | Group Company | 1) Lease income of Factory 2) Interest payment 3) Reimbursement received towards Expenses 4) Rent paid |
| Apollo International Ltd | Group Company | 1) Interest on 8 % Optionally Convertible privately placed non transferable debentures of Rs 100/- each 2) Redemption of the above debentures |
| Neeraj Consultants Ltd Sunrays Properties & Investments Co Pvt Ltd Sacred Heart Investments Co Pvt Ltd Motlay Finance Pvt Ltd Ganga Kaveri Credit & Holding Pvt Ltd Global Capital Ltd Indus valley Investment & Finance Pvt Ltd Apollo Finance Ltd Sargam Consultants Pvt Ltd Kenstar Investment & Finance Pvt Ltd | Group Companies | No transactions |

| Volume of Transactions | | (Rs.in Lacs) | |
|---|-----------------------------------|-----------------------------------|--|
| NATURE | 31st March 2008 | 31st March 2007 | |
| Lease income of Factory | 2,000.00 | 1,500.00 | |
| Interest received on Loan (Net) | 24.95 | 50.48 | |
| Interest on Debenture received | 15.83 | 18.40 | |
| Interest Paid | 27.24 | 3.99 | |
| Reimbursement of Expenses received | 3,382.73 | 3,503.09 | |
| Investment in equity Capital of Subsidiary made | 0.00 | 6,000.00 | |
| Loan with Interest | 1,939.34 | 0.00 | |
| Advance paid for future equity share | 2,148.37 | 880.43 | |
| Rent paid | 0.12 | 0.12 | |
| Reimbursement towards utilization of Computer and other ATL Facilities (net) paid | 32.04 | 36.00 | |
| Security Deposit Towards Lease rent received | 1,000.00 | 1,500.00 | |
| Redemption money received of Debentures | 230.00 | 0.00 | |
| Amount Outstanding | | | |
| Advance Recoverable in Cash or in kind | | | |
| Apollo Tyres Ltd | (-)2,802.15 | (-) 1,764.13 | |
| Artemis Medicare Services Pvt Ltd | 1,958.63 | 16.42 | |
| Artemis Health Sciences Pvt Ltd | 3,028.80 | 880.43 | |
| (Advance against share capital) | | | |

16. Previous years figures are given in brackets

17. Previous years figures have been regrouped wherever necessary.

Signature to schedule "1 to 10"

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
9th May, 2008

NEERAJ KANWAR
HARISH BHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S. OBEROI

Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

As per Schedule VI Part (iv) of The Companies Act, 1956

| | |
|---|------------|
| I REGISTRATION DETAILS | |
| Registration No | 9300 |
| State Code | 9 |
| Balance Sheet Date | 31.03.2008 |
| II CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousands) | |
| Public Issue | |
| Rights Issue | |
| Private Placement | |
| Bonus | |
| III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS(Amount in Rs Thousands) | |
| Total Liabilities ** | 835401 |
| Total Assets | 835401 |
| SOURCES OF FUNDS | |
| Paid up Capital | 132377 |
| Reserves & Surplus | 198791 |
| Secured Loans | 533191 |
| Unsecured Loans | 560 |
| ** Deferred Tax (Assets) Liability (Net) Rs 29518 Thousands | |
| APPLICATION OF FUNDS | |
| Net Fixed Assets | 81424 |
| Investments | 600111 |
| Net Current Assets | 153,866 |
| Mis Expenditure | |
| Accumulated Losses | |
| IV PERFORMANCE OF THE COMPANY (Amount in Rs Thousands) | |
| Turnover including Other Incomes | 209314 |
| Total Expenditure | 100833 |
| Profit Before Tax | 108481 |
| Profit After Tax | 94658 |
| Earnings Per Share (Rs) | 1.43 |
| Dividend Rate (%) | 15% |
| V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS /SERVICES OF THE COMPANY | |
| ITEM CODE NO.(ITC CODE) | TYRES |
| Passenger /Jeep | 4 0111000 |
| Bus/Lorries | 4 0112000 |
| Tractor | 4 0119902 |

ONKAR S KANWAR
Chairman

NEERAJ KANWAR
HARISH BAHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S.OBEROI

PRADEEP KUMAR
Company Secretary

Directors

Gurgaon
9th May, 2008

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

| NAME OF THE SUBSIDIARY | ARTEMIS HEALTH SCIENCES PVT. LTD. | ARTEMIS MEDICARE SERVICES PVT. LTD. | ARTEMIS LIFE SCIENCES PVT. LTD. | ARTEMIS MEDIEQUIPMENTS PVT. LTD. | ARTEMIS MEDICAL INSTITUTE & HOSPITALS PVT. LTD. |
|---|---|--|--|--|--|
| NUMBER OF SHARES HELD IN THE SUBSIDIARY COMPANY | 1,00,10,000, shares of Rs 10/-each fully paid | Subsidiary through Artemis Health Sciences Pvt Ltd | Subsidiary through Artemis Health Sciences Pvt Ltd | Subsidiary through Artemis Health Sciences Pvt Ltd | Subsidiary through Artemis Health Sciences Pvt Ltd |
| PERCENTAGE OF HOLDING IN THE SUBSIDIARY COMPANY | 86.97% | 86.97% | 86.97% | 86.97% | 86.97% |
| FINANCIAL YEAR ENDED | 31st March 2008 | 31st March 2008 | 31st March 2008 | 31st March 2008 | 31st March 2008 |
| PROFIT/(LOSSES) OF THE SUBSIDIARY COMPANY FOR ITS FINANCIAL YEAR SO FAR AS IT CONCERNS THE MEMBERS OF PTL ENTERPRISES LTD WHICH HAVE NOT BEEN DEALT WITH IN THE ACCOUNTS OF PTL ENTERPRISES LTD FOR THE YEAR ENDED 31ST MARCH 2007 | | | | | |
| — FOR THE YEAR | Rs (1,07,022) | Rs (29,64,30,654) | Rs (36,617) | Rs (36,824) | Rs (36,693) |
| — FOR THE PREVIOUS FINANCIAL YEARS | Rs (15,53,857) | Rs (1,06,23,771) | Rs (56,697) | Rs (61,704) | Rs (88,416) |
| — TOTAL ACCUMULATED UP TO THE YEAR | Rs (16,60,879) | Rs (30,70,54,425) | Rs (93,314) | Rs (98,528) | Rs (1,25,109) |
| THE NET AGGREGATE OF PROFITS / (LOSSES) OF THE SUBSIDIARY COMPANY FOR ITS FINANCIAL YEAR SO FAR AS IT CONCERNS THE MEMBERS OF PTL ENTERPRISES LTD WHICH HAVE BEEN DEALT WITH IN THE ACCOUNTS OF PTL ENTERPRISES LTD FOR THE YEAR ENDED 31ST MARCH 2007. | | | | | |
| — FOR THE YEAR | NIL | NIL | NIL | NIL | NIL |
| — FOR THE PREVIOUS FINANCIAL YEARS | NIL | NIL | NIL | NIL | NIL |
| — TOTAL ACCUMULATED UP TO THE YEAR | NIL | NIL | NIL | NIL | NIL |

ONKAR S KANWAR
Chairman

NEERAJ KANWAR
HARISH BAHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S. OBEROI

Gurgaon
9th May, 2008

PRADEEP KUMAR
Company Secretary

Directors

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF PTL ENTERPRISES LTD., ON THE CONSOLIDATED FINANCIAL STATEMENT

1. We have examined the attached Consolidated Balance Sheet of PTL Enterprises Ltd. and its subsidiary along with sub-subsidiaries (the Group) as at 31st March, 2008, the Consolidated Profit and Loss Account for the year ended on that date and the Consolidated Cash flow statement for the year ended on that date. This Consolidated Financial Statement is the responsibility of PTL Enterprises Ltd.'s management and has been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Financial Statements based on our Audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary and sub-subsidiaries (the Group), whose consolidated financial statements reflect the Group's share of total assets of Rs. 238,34,53,150/- (Previous Year Rs. 101,32,14,820/-) as at 31st March, 2008, the Group's total revenue of Rs. 19,33,65,553/- (Previous Year Rs. 17,76,891/-) for the year ended on that date and net cash outflow amounting to Rs. 7,26,44,054/- (Previous Year inflow of Rs. 9,62,29,026/-) for the year ended on that date as considered in the consolidated financial statements. These consolidated financial statements have been audited by Kumar Sharma & Co., Chartered Accountants, and whose consolidated financial report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary and sub-subsidiary companies, is based solely on the report of these auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for investments in associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of PTL Enterprises Ltd. and its subsidiary and sub-subsidiary companies included in the consolidated financial statements.
5. On the basis of the information and explanation given to us read with the notes to the consolidated accounts and on consideration of the separate audit report on the consolidated accounts of Group subsidiary and sub-subsidiary companies, we are of the opinion that,
 - a) The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of PTL Enterprises Ltd., and its subsidiary and sub-subsidiary companies as at 31st March, 2008,
 - b) The consolidated Profit and Loss account gives a true and fair view of the consolidated result of operation of PTL Enterprises Ltd., and its subsidiary and sub-subsidiary companies for the year ended on that date, and
 - c) The consolidated Cash flow statement gives a true and fair view of the consolidated cash flows of PTL Enterprises Ltd. and its subsidiary and sub-subsidiary companies for the year ended on that date.

For and on Behalf of
H.N. Mehta Associates
Chartered Accountants

Sd/-
Kiran Pancholi
Partner

Membership No. 33218

Dated: 9th May, 2008

Place: Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

| | Schedule | As at 31st March, 2008 Rs.Lacs | As at 31st March, 2007 Rs.Lacs |
|--|----------|--------------------------------------|--------------------------------------|
| SOURCES OF FUNDS | | | |
| Shareholder's Funds : | | | |
| Share Capital | 1 | 1,323.77 | 1,323.77 |
| Reserves and Surplus | 2 | (1,172.36) | 1,079.85 |
| | | <u>151.41</u> | <u>2,403.62</u> |
| Minority Interest | | (310.84) | 133.60 |
| Loans : | 3 | | |
| Secured | | 15,219.36 | 5,286.92 |
| Unsecured | | 5.60 | 5.90 |
| | | <u>15,224.96</u> | <u>5,292.82</u> |
| Deferred payment Liabilities (Refer Note B 14) | | 940.00 | - |
| Deferred Tax Liability/(Assets) (Net) | | (295.18) | 25.12 |
| T O T A L | | <u><u>15,710.35</u></u> | <u><u>7,855.16</u></u> |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | 4 | | |
| Gross Block | | 20,677.54 | 3,478.85 |
| Less : Depreciation | | <u>2,137.84</u> | <u>1,564.93</u> |
| Net Block | | 18,539.70 | 1,913.92 |
| Capital Work In Progress | | <u>471.73</u> | <u>7,152.34</u> |
| | | <u>19,011.43</u> | <u>9,066.26</u> |
| Goodwill on Consolidation | | 17.10 | 17.10 |
| Investments | 5 | 0.11 | 230.11 |
| Current Assets, Loans and Advances : | 6 | | |
| Inventories | | 443.31 | 17.66 |
| Sundry Debtors | | 232.42 | - |
| Cash and Bank Balances | | 1,429.39 | 1,152.97 |
| Loans and Advances | | <u>643.56</u> | <u>315.86</u> |
| | | <u>2,748.68</u> | <u>1,486.49</u> |
| Less: Current Liabilities and Provisions. | 7 | 6,066.97 | 2,944.80 |
| Net Current Assets | | <u>(3,318.29)</u> | <u>(1,458.31)</u> |
| T O T A L | | <u><u>15,710.35</u></u> | <u><u>7,855.16</u></u> |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | 10 | | |

AS per our attached Report of even date.

For and on behalf of
H. N. MEHTA ASSOCIATES
Chartered Accountants

KI RAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman
PRADEEP KUMAR
Company Secretary

Gurgaon
9th May, 2008

NEERAJ KANWAR
HARISH BAHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S. OBEROI

Directors

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

| | Schedule | Year ended March, 2008 Rs.Lacs | Year ended March, 2007 Rs.Lacs |
|---|----------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Income from Operations | | 1,818.68 | - |
| Other Income | 8 | 2,183.17 | 1,538.26 |
| | | <u>4,001.85</u> | <u>1,538.26</u> |
| EXPENDITURE | | | |
| Manufacturing and Other Expenses | 9 | 4,410.90 | 461.68 |
| Depreciation | | 575.62 | 21.81 |
| Interest | | 1,312.07 | 146.25 |
| | | <u>6,298.59</u> | <u>629.74</u> |
| Profit / (Loss) Before Tax | | (2,296.74) | 908.52 |
| Provision for Current Tax | | 464.21 | 418.65 |
| Provision for Deferred Tax | | (320.30) | (7.72) |
| Provision/Expense for FBT | | 23.68 | 7.05 |
| Profit/(Loss) After Tax | | (2,464.33) | 490.54 |
| Minority Interest | | 444.44 | (11.49) |
| Profit / (Loss) After Minority Interest | | (2,019.89) | 502.03 |
| Balance brought forward from previous year | | 1,029.78 | 522.84 |
| Minority Interest in brought forward Loss | | - | (4.91) |
| Appropriations | | | |
| Transfer to General reserve | | 300.00 | - |
| Proposed Dividend | | 198.57 | - |
| Dividend tax | | 33.75 | - |
| Balance carried to Balance Sheet | | <u>(1,522.43)</u> | <u>1,029.78</u> |
| Basic and Diluted Earnings Per Share | | | |
| Post Share Split (Face Value of Rs.2/- each) | | (3.05) | 0.76 |
| Prior to Share Split (Face value of Rs 10/- each) | | (15.26) | 3.79 |
| SIGNIFICANT ACCOUNTING POLICIES | 10 | | |
| AND NOTES ON ACCOUNTS | | | |

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
9th May, 2008

NEERAJ KANWAR
HARISH BAHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S. OBEROI

Directors

CASH FLOW STATEMENT

(Rs./Lacs)

| | Year Ended 31st Mar 2008 | Year Ended 31st Mar 2007 |
|--|-----------------------------|-----------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| (i) NET PROFIT BEFORE TAX | (2,296.74) | 908.52 |
| Add- Depreciation for the year | 575.62 | 21.81 |
| - Provision For Gratuity | 211.43 | 192.10 |
| - Provision For Leave Encashment | 105.36 | - |
| - Lease premium on Land W/off | 5.32 | - |
| - Interest and Bank Charges | 1,312.07 | 146.25 |
| - Loss (Profit) on Sale of Assets | 4.32 | (0.11) |
| | 2,214.12 | 360.05 |
| (ii) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | (82.62) | 1,268.57 |
| Adjustment For | | |
| - Inventory | (425.65) | - |
| - Trade & Other Receivable | (266.78) | 270.35 |
| - Trade Payables | 2,560.26 | 2,015.34 |
| | 1,867.83 | 2,285.69 |
| (iii) CASH GENERATED FROM OPERATIONS | 1,785.21 | 3,554.26 |
| - Direct Taxes paid | (781.23) | (515.21) |
| (iv) NET CASH FLOW FROM OPERATING ACTIVITIES | 1,003.98 | 3,039.05 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| - Purchase of Fixed Assets | (10,540.74) | (8,203.61) |
| - Sale of Fixed Assets | 10.31 | 0.58 |
| - Sale of Investment | 230.00 | - |
| NET CASH USED IN INVESTING ACTIVITY | (10,300.43) | (8,203.03) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| - Deferred payment Liabilities | 940.00 | - |
| - Interest and Bank Charges Paid | (1,299.27) | (137.80) |
| - Repayment of Dealers security deposit | (0.30) | - |
| - Increase in Long Term Borrowing | 9,932.44 | 5,286.92 |
| NET CASH USED IN FINANCING ACTIVITIES | 9,572.87 | 5,149.12 |
| Net Increase in Cash or Cash Equivalents | 276.42 | (14.86) |
| Cash or Cash Equivalent as on 01.04.07 (01.04.06) | 1,152.97 | 1,167.83 |
| Cash or Cash Equivalent as on 31.03.08 (31.03.07) | 1,429.39 | 1,152.97 |

Note:- The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman
PRADEEP KUMAR
Company Secretary

Gurgaon
9th May, 2008

NEERAJ KANWAR
HARISH BHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S. OBEROI

Directors

SCHEDULES ANNEXED TO THE ACCOUNTS

SCHEDULE 1- SHARE CAPITAL

| | As at 31st March, 2008 Rs. Lacs | As at 31st March, 2007 Rs. Lacs |
|--|---------------------------------------|---------------------------------------|
| AUTHORISED | | |
| 10,00,00,000 Equity Shares of Rs. 2/- each (Previous Year 2,00,00,000 Equity Shares of Rs.10/- each) | <u>2,000.00</u> | <u>2,000.00</u> |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 6,61,88,500 Equity Shares of Rs. 2/- each (Previous Year 1,32,37,700 Equity Shares of Rs.10/- each) (Note B 3) | <u>1,323.77</u> | <u>1,323.77</u> |
| | <u><u>1,323.77</u></u> | <u><u>1,323.77</u></u> |

Notes: Of the above shares:

- (i) 26,24,800 Equity Shares of Rs 2/-each (Previous year 5,24,960 Equity Shares of Rs 10/-each) allotted as fully paid-up pursuant to contracts without payment being received in cash.
- (ii) 15,00,000 Equity Shares of Rs 2/-each (Previous year 3,00,000 Equity Shares of Rs10/-each) issued as fully paid-up by way of Bonus Shares by capitalisation of reserves.
- (iii) 4,48,17,575 (Previous year 91,58,515 of Rs 10/-) Equity Shares of Rs2/- each held by the holding company Constructive Finance Pvt Ltd at the year end

SCHEDULE 2- RESERVES & SURPLUS

| | As at 31st March, 2008 Rs. Lacs | As at 31st March, 2007 Rs. Lacs |
|---|---------------------------------------|---------------------------------------|
| Capital Reserve | 0.10 | 0.10 |
| General Reserve (Transferred during the year) | 300.00 | - |
| Capital Redemption Reserve | 49.97 | 49.97 |
| Surplus in P&L Account | <u>(1,522.43)</u> | <u>1,029.78</u> |
| | <u><u>(1,172.36)</u></u> | <u><u>1,079.85</u></u> |

SCHEDULE 3- LOANS

| | As at 31st March, 2008 Rs .Lacs | As at 31st March, 2007 Rs. Lacs |
|---|---------------------------------------|---------------------------------------|
| SECURED LOANS : | | |
| TERM LOAN | | |
| Term Loan from SBI Cochin (Rent Plus) (Secured by equitable mortgage of Land of the Parent Company) | 3,329.96 | 1,053.94 |
| Term Loan from Yes Bank New Delhi (Secured by Escrowing of Lease Rentals of the Parent Company) | 2,001.95 | 1,450.00 |
| State Bank of India Ernakulam | 4,838.40 | 2,782.98 |
| State Bank of Mysore New Delhi (Loan from State Bank of India Ernakulam & State Bank of Mysore New Delhi are Secured by:) | 5,049.05 | |
| 1. First Charge on the entire Fixed Assets of the Subsidiary Company (Immovable & Movable) both present & future ranking parri-passu with other Term lenders. | | |
| 2. Collateral Charge over the entire fixed assets of the Parent Company. | 15,219.36 | 5,286.92 |
| UNSECURED LOANS : | | |
| Dealers' Security Deposits | 5.60 | 5.90 |
| | 15,224.96 | 5,292.82 |

SCHEDULE 4- FIXED ASSETS

| P A R T I C U L A R S | COST/VALUE | | | DEPRECIATION | | NET BLOCK | |
|---|---------------------------|-----------|------------|-----------------|------------|---------------------------|---------------------------|
| | As at 31st March, 2007 | Additions | Deductions | For the Year | To Date | As at 31st March, 2008 | As at 31st March, 2007 |
| Land * | 1,622.19 | 94.48 | - | - | - | 1,716.67 | 1,622.19 |
| Lease Hold Land ** | - | 522.32 | 5.32 | - | - | 517.00 | - |
| Buildings | 308.98 | 8,842.45 | - | 106.98 | 275.26 | 8,876.17 | 140.70 |
| Plant & Machinery | 1,377.96 | 6,872.42 | - | 343.89 | 1,643.13 | 6,607.25 | 78.72 |
| Electrical Installation and Equipments | 35.89 | - | - | - | 35.89 | - | - |
| Furniture, Fixture and Appliances | 62.46 | 636.34 | 1.04 | 93.73 | 151.18 | 546.58 | 4.55 |
| Intangibles Assets | 0.30 | 197.84 | - | 22.06 | 22.08 | 176.06 | 0.28 |
| Vehicles | 71.07 | 55.50 | 16.30 | 8.96 | 10.30 | 99.97 | 67.48 |
| T O T A L | 3,478.85 | 17,221.35 | 22.66 | 575.62 | 2,137.84 | 18,539.70 | 1,913.92 |

* Land includes 0.18 acres of land amounting to Rs. 34.85 lacs which is pending registration in the name of the Company

** Rs 5.32 Lacs represents proportionate lease premium written off

SCHEDULE 5- INVESTMENTS : (AT COST)

| | As at 31st March, 2008 Rs.Lacs | As at 31st March, 2007 Rs.Lacs |
|--|--------------------------------------|--------------------------------------|
| OTHER SHARES | | |
| UNQUOTED | | |
| Cochin Co-operative Hospital Society 1 Share of Rs. 10,000/- each fully paid | 0.10 | 0.10 |
| Premier Tyres Employees' Co-operative Stores 10 Shares of Rs. 100/- each fully paid | 0.01 | 0.01 |
| Apollo International Ltd 2,30,000 8% optionally Convertible Privately placed Debentures of Rs 100 each | - | 230.00 |
| | <u>0.11</u> | <u>230.11</u> |

SCHEDULE 6- CURRENT ASSETS, LOANS AND ADVANCES

| | As at 31st March, 2008 Rs.Lacs | As at 31st March, 2007 Rs.Lacs |
|---|--------------------------------------|--------------------------------------|
| CURRENT ASSETS, LOANS AND ADVANCES | | |
| INVENTORY - (as valued and certified by management) | | |
| Medical Consumables & Pharmacy Items | 392.68 | - |
| Fuel & General Items | 32.97 | - |
| Stores and Spares | 17.66 | 17.66 |
| | <u>443.31</u> | <u>17.66</u> |
| SUNDRY DEBTORS * | | |
| Debts outstanding for a period exceeding six months | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 5.58 | - |
| Considered Doubtful | 139.80 | 139.80 |
| Other debts | | |
| Secured, considered good | | |
| Unsecured, considered good | 226.84 | - |
| | <u>372.22</u> | <u>139.80</u> |
| Less Provisions for Doubtful Debts | (139.80) | (139.80) |
| | <u>232.42</u> | <u>-</u> |
| CASH AND BANK BALANCES : | | |
| Cash in hand | 10.65 | 1.87 |
| With Scheduled Banks in Current Accounts | 374.94 | 210.10 |
| Deposit Accounts | 1,043.80 | 941.00 |
| | <u>1,429.39</u> | <u>1,152.97</u> |
| LOAN AND ADVANCES : | | |
| (Unsecured, Considered Good) | | |
| Advances recoverable in cash or in kind or for value to be received | 254.03 | 222.52 |
| Advance Income Tax | 2,040.11 | 1,287.92 |
| Less: Provision for Taxation | 1,654.02 | 1,195.17 |
| | <u>386.09</u> | <u>92.75</u> |
| Current balances with Customs, Central Excise, Municipal and Sales Tax | | |
| Considered good | 3.44 | 0.59 |
| Considered doubtful | 23.24 | 23.24 |
| Less: Provision for Doubtful Advances | (23.24) | (23.24) |
| | <u>3.44</u> | <u>0.59</u> |
| | <u>643.56</u> | <u>315.86</u> |
| | <u>2,748.68</u> | <u>1,486.49</u> |

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

| | As at 31st March, 2008 Rs.Lacs | As at 31st March, 2007 Rs.Lacs |
|---|--------------------------------------|--------------------------------------|
| CURRENT LIABILITIES | | |
| Sundry Creditors | | |
| (a) Outstanding dues of Micro, medium & small enterprises | - | - |
| (b) Outstanding dues of creditors other than Micro, medium & small enterprises | 1,274.88 | 213.32 |
| Other Liabilities | 3,574.88 | 2,063.38 |
| | <u>4,849.76</u> | <u>2,276.70</u> |
| PROVISIONS | | |
| For Proposed Dividend | 198.57 | - |
| For Dividend Tax | 33.75 | - |
| For Gratuity | 879.53 | 668.10 |
| For Leave Encashment | 105.36 | - |
| | <u>1,217.21</u> | <u>668.10</u> |
| | <u>6,066.97</u> | <u>2,944.80</u> |

SCHEDULE 8 - OTHER INCOME

| | As at 31st March, 2008 Rs.Lacs | As at 31st March, 2007 Rs.Lacs |
|---|--------------------------------------|--------------------------------------|
| Sundry Sales and Miscellaneous Income | 9.18 | 1.68 |
| Income from Lease/services | 2,000.00 | 1,500.00 |
| Interest Received | 91.91 | 18.07 |
| Income Form Investment | 15.85 | 18.40 |
| Additional Compensation Received Land Acquisition | 40.75 | - |
| Foreign exchange fluctuation (Net) | 25.48 | - |
| Profit on Sale of Assets | - | 0.11 |
| | <u>2,183.17</u> | <u>1,538.26</u> |

SCHEDULE 9 - MANUFACTURING & OTHER EXPENSES

| | Year ended 31st March, 2008 Rs. Lacs | Year ended 31st March, 2007 Rs. Lacs |
|---|--|--|
| EMPLOYEES | | |
| Salaries, Wages and Bonus * | 2,976.91 | 2,184.79 |
| Contribution to Provident and Other Funds | 215.53 | 159.07 |
| Welfare Expenses | 120.50 | 166.38 |
| Gratuity | 333.21 | 265.23 |
| MANUFACTURING, ADMINISTRATIVE AND SELLING | | |
| Power and Fuel Consumption | 1,261.10 | 899.32 |
| Consumption of Medical Consumables & Pharmacy Items | 718.71 | - |
| Professional & Consultation Fees | 963.82 | - |
| Freight & Delivery Expenses | 0.15 | - |
| Advertisement | 358.02 | 38.24 |
| Rent | 15.51 | 6.99 |
| Rates and Taxes | 14.97 | 39.29 |
| Insurance | 46.82 | 16.69 |
| Travelling and Conveyance Expenses | 71.95 | 42.48 |
| Directors' Fee | 6.50 | 4.55 |
| Payment to Statutory Auditors | 6.08 | 2.28 |
| Legal and Professional Charges | 122.57 | 81.26 |
| Patient catering expenses | 35.14 | - |
| Facility Maintenance Expenses | 275.23 | - |
| Commission | 1.74 | - |
| Lodging & Boarding | 68.26 | - |
| Printing, Stationery, Postage Telegram & Telephone etc. | 73.54 | 13.99 |
| Repair and Maintenance | | |
| - Plant & Machinery | 6.77 | - |
| - Buildings | 1.30 | - |
| - Others | 18.81 | - |
| Loss on Sale of Asset | 4.32 | - |
| Reimbursement towards ATL Facilities | 32.04 | 36.00 |
| Lease premium of Lease hold Land-written off | 5.32 | - |
| Miscellaneous Expenses | 38.81 | 8.21 |
| | <u>7,793.63</u> | <u>3,964.77</u> |
| Less: Reimbursement of Expenses from Apollo Tyres Ltd. | 3,382.73 | 3,503.09 |
| | <u>4,410.90</u> | <u>461.68</u> |

*Including Rs 53.36 Lacs prior period items being provision towards liability for Leave Encashment

SCHEDULE 10- SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation:**

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

2. Use of Estimate:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Basis of Consolidation:

The consolidated financial statements comprise the financial statements of PTL Enterprises Ltd. and the following Companies:

| Name of the Company | Relationship | Country of Incorporation | Proportion of Ownership 31.03.2008 | Proportion of Ownership 31.03.2007 |
|---|----------------|--------------------------|------------------------------------|------------------------------------|
| Artemis Health Sciences Pvt. Ltd. | Subsidiary | India | 86.97% | 86.97% |
| Artemis Medicare Services Pvt. Ltd. | Sub Subsidiary | India | 86.97% | 86.97% |
| Artemis Life Sciences Pvt. Ltd. | Sub Subsidiary | India | 86.97% | 86.97% |
| Artemis Mediequipments Pvt. Ltd. | Sub Subsidiary | India | 86.97% | 86.97% |
| Artemis Medical Institute & Hospitals Pvt. Ltd. | Sub Subsidiary | India | 86.97% | 86.97% |

The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down in Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.

Consolidated financial statements are prepared using uniform accounting policies.

The excess of cost to the parent company of its investment in subsidiaries over its portion of equity in the subsidiary at the date on which investment was made is recognised in the financial statements as goodwill. The parent company's portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiary on the effective date of investment.

The amount shown in respect of reserves comprises the amount of the relevant reserve as per the balance sheet of the parent company plus its share in the post-acquisition movement of the profits of the subsidiary.

4. Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Leasehold Land is amortised over the period of lease proportionately.

5. Intangibles:

Software is stated at cost of acquisition and includes all attributable costs of bringing the software to its working condition for its intended use. Cost of Softwares is amortized over a period of 6 years, being the estimated useful life as per the management estimate

6. Borrowing Costs:

Borrowing Costs are capitalized as a part of qualifying asset when it results in future economic benefits. Other borrowing costs are expensed.

7. Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

8. Investments:

Investments are stated at Cost and provision for diminution is made if the decline in the value is other than temporary in nature.

9. Inventory Valuation:

Inventories are valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

10. Depreciation:

Depreciation on fixed assets is provided on the straight-line basis at the rates specified in Schedule XIV of the Companies Act, 1956, classifying certain plant and machinery as continuous process plant.

11. Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from Operations

Income from operations is recognised as and when the services are rendered/pharmacy items are sold.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from Nursing Hostel

Revenue is recognised as per contractual arrangement with nursing staff using the hostel facilities.

12. Foreign currency transactions:**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations. Exchange differences arising in respect of fixed assets acquired from outside India on or before accounting period commencing after December 7, 2006 are capitalised as a part of fixed asset.

13. Employee Benefits:

- Liability for gratuity to employees determined on the basis of actuarial valuation as on balance sheet date.
- Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- Contributions to defined contribution schemes such as provident fund, employees pension fund and cost of other benefits are recognised as an expense in the year incurred.
- Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the profit & Loss account as income or expense.

14. Taxes on Income:

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

15. Expenditure on New Projects:

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

16. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value, except gratuity and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

17. Reimbursement of Expenses:

The manufacturing and operating expenses of the company reimbursed by M/s Apollo Tyres Ltd. in terms of operating lease are deducted from the total expenses and only net expenses are taken to Profit & Loss account.

B. NOTES ON ACCOUNTS**1. Contingent Liabilities**

| Name of the Statute | Nature of Dues | Amount Rs. (Lacs) 2007-08 | Forum where Dispute is pending | Period to which current year amount relates |
|---------------------|--------------------|--|---|---|
| Sales Tax | Disputed Demands | 117.12 19.31 <u>1.13</u> 137.56 | High Court Sales Tax Tribunal -do- | 1987-88 to 1993-94 1995-96 1998-99 |
| Income Tax | Disputed Demands | 140.94 <u>28.40</u> 169.34 | Comm. Income Tax -do- | AY 2004-05 AY 2005-06 |
| Employee Liability | Disputed Liability | 0.21 | Consumer Redressal Form | 2004-05 |
| Employee Liability | Disputed Liability | 0.29 | Labour Court Jalandhar | 2004-05 |

| Name of the Statute | Nature of Dues | Amount Rs. (Lacs) 2006-07 | Forum where Dispute is pending | Period to which current year amount relates |
|---------------------|--------------------|--|---|---|
| Sales Tax | Disputed Demands | 117.12 19.31 <u>1.13</u> 137.56 | High Court Sales Tax Tribunal -do- | 1987-88 to 1993-94 1995-96 1998-99 |
| Income Tax | Disputed Demands | 140.94 | Comm. Income Tax | AY 2004-05 |
| Employee Liability | Disputed Liability | 0.21 | Consumer Redressal Form | 2004-05 |
| Employee Liability | Disputed Liability | 0.29 | Labour Court Jalandhar | 2004-05 |

2. The estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2008 is Rs. 57.73 Lacs (Previous year Rs 3,223.84 lacs).
3. Pursuant to the resolution passed by the shareholders by way of Postal Ballot on 14th Feb 2008, the equity shares of Rs 10/- each of the company has been sub divided into 5 equity shares of Rs 2/- each with effect from the record date of 3rd March 2008.
4. **Taxes on Income**
 - a). A deferred tax assets (Net) amounting to Rs 320.30 lacs has been recognised in the accounts for the year in accordance with the Accounting standard "Accounting for taxes on Income" (AS 22). The deferred tax asset in respect of gratuity and leave encashment liability has been recognised during the year in view of the sustained profitability and regular tax payouts.

b). The Components of Net Deferred Tax (Assets)/Liability as on 31st March 2008 are as under:

| PARTICULARS | 31 st March 2008 | 31 st March 2007 |
|---|-----------------------------|-----------------------------|
| a) Deferred Tax Liability on timing difference arising on Depreciation | 28.41 | 30.74 |
| b) Deferred Tax Assets on timing difference arising on provision for Gratuity & Leave encashment Liability/Depreciation | (323.59) | (5.62) |
| Net Deferred Tax (Rs. Lacs) | (295.18) | 25.12 |

5. The Company had taken 20.78 acres of land on 90 years lease w.e.f. 24.05.2007 at a premium of Rs 519.50 lacs and the premium with other capitalised cost is amortized over a period of 90 years. Monthly lease rental, lighting expenses, water charges etc are debited as revenue expenditure.
6. The Subsidiary has taken guest house under operating lease. The minimum lease taken for the aforesaid premises is 24 months which is renewable by mutual consent on mutually agreed term. The same is cancelable at the option of lessee.
7. The Company has given its plant, on operating lease, to Apollo Tyres Ltd. for a period of eight years w.e.f. 01.04.2006, which is renewable at the rate to be mutually agreed. The lease rent amounting to Rs 2,000 Lacs received for the year as per the lease agreement, has been credited to Profit & Loss Account.

8. Operational Outlook:

The health care business under the subsidiary has started its commercial operations during the year. A major part of the initial losses were envisaged for development of the Subsidiaries brand. The Subsidiary has negative cash flows from the operations and has reported a loss of Rs.3,410.92 Lacs for the year ended March 31, 2008. The total accumulated losses stand at Rs.3,536.76 Lacs as on the Balance Sheet date. To support its operations, during the year, the Subsidiary has raised further share capital of Rs.600.00 Lacs at a share premium of Rs.2,400.00 Lacs.

The Subsidiary has positive working capital as at March 31, 2008. Further, the Subsidiary is expected to achieve operational break even in the financial year 2009-10. The management is confident of its ability to secure funding for its future operations and generate profits in future. The Subsidiary has got assurance of financial support from its holding Company & its ultimate parent to infuse the funds in the Subsidiary as equity and unsecured loans respectively on as and when required basis. This is initial gestation period where the Subsidiary was expected to incur losses. In the opinion of the management, there is no going concern issue. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary if the Subsidiary is unable to continue as a going concern and the financial statements continue to be prepared on a going concern basis.

9. Some of the Sundry Creditors and unsecured loans are subject to confirmation.
10. As per information available with the company
 - (a) Amount due to Micro, Medium & Small Enterprises — Nil.
 - (b) Amount due to Investor Education & Protection Fund- Nil

11. Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

| PARTICULARS | Value |
|--------------------------------|---|
| Import Creditors | Rs. 18.32 Lacs (EURO 28,680 @ closing rate of 1EURO=Rs. 63.9) |
| Import Creditors | Rs.192.54 Lacs (USD 480,150 @ closing rate of 1USD= Rs.40.1) |
| Advances to Overseas Suppliers | Rs.1.64 Lacs (USD 4,093 @ closing rate of 1USD = Rs.40.1) |

12. Earnings Per Share (EPS):

The Numerator and denominator used to calculate Basic and Diluted Earnings per share:

| | For the year ended 31st March 2008 | For the year ended 31st March 31st March 2007 |
|---|--|--|
| Profit attributable to Equity Share Holders (Rs lacs) –A | (2,019.89) | 502.03 |
| Basic number of equity shares Outstanding during the year-B | 6,61,88,500 | 1,32,37,700 |
| Basic / Diluted Earnings Per Share of Rs 2/- (Previous year Rs 10/-) (A/B) | (3.05) | 3.79 |

13. Pre-Operative Expenses:

Following is the movement in pre-operative expenses (net of pre-operative incomes) incurred up to the date of start of commercial operations of the subsidiary:

| Particulars | Incurred during the year 2007-08 (Rs. lacs) | Incurred during the year 2006-07 (Rs. lacs) |
|--------------------------------------|---|---|
| Interest Expenses- Financial Expense | 117.63 | 165.89 |
| Processing Fee- Financial Expense | 50.00 | 50.00 |
| Appraisal Fee- Financial Expense | 2.86 | 23.41 |
| Bank Charges- Financial Expense | 4.57 | 21.63 |
| Personnel Expenses | 229.74 | 223.77 |
| Staff welfare | 16.56 | 7.51 |
| Professional & Consultation Fees | 37.55 | 6.60 |
| Patient catering expenses | 0.01 | - |
| Power and fuel | 112.54 | 1.85 |
| Rent | 4.67 | 1.00 |
| Insurance | 2.23 | 1.08 |
| Facility Maintenance Expenses | 23.40 | 4.23 |
| Advertising and sales promotion | 2.34 | 40.28 |
| Traveling and conveyance | 3.74 | 31.31 |
| Lodging & Boarding | 13.61 | 17.06 |
| Communication costs | 5.48 | 1.43 |
| Legal and professional fees | 36.79 | 286.39 |
| Fees & Taxes | 12.95 | - |
| Miscellaneous expenses | 19.00 | 21.37 |
| Total Expenses | 695.67 | 904.81 |
| Less: Pre-operative Incomes | 7.12 | 4.89 |
| Net Pre-Operative Expenses | 688.55 | 899.92 |

14. Deferred payment Liabilities:

A medical equipment called Position Emission Tomography CT (PET CT) has been procured from Philips Electronics India Limited for Rs. 94,000,000 on deferred payment basis i.e. as per the terms of the arrangement, the amount is payable after 48 months of the successful delivery and commissioning of the machine at site. For the purpose, a Letter of Credit of the same amount has been opened in the favour of the vendor with State Bank of India. The Company has pledged a fixed deposit in favour of the bank as a security against the said Letter of Credit.

15. Segmental Reporting:**a.) Business Segments:**

The Health Care Segment consist the health care business under the subsidiaries of the company and the Lease of Plant segment consist the income from lease of Plant to Apollo Tyres Ltd.

Geographical Segments

The company has not identified any geographic segments.

- b) Segmental assets includes all operating assets used by respective segment and consists principally of operating cash, debtors, inventories and fixed assets net of allowances and provisions. Segmental liabilities include all operating liabilities and consist primarily of creditors and accrued liabilities. Segment assets and liabilities do not include income tax assets and liabilities

| Particulars | Health Care | | Lease of Plant | | Other Corp | | Total | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2007</u> 2008 | <u>2006</u> 2007 | <u>2007</u> 2008 | <u>2006</u> 2007 | <u>2007</u> 2008 | <u>2006</u> 2007 | <u>2007</u> 2008 | <u>2006</u> 2007 |
| 1. REVENUE | | | | | | | | |
| Income from Operation/other income | 1,933.66 | 17.77 | 2,000.00 | 1,500.00 | 93.14 | 70.97 | 4,026.80 | 1,588.74 |
| Inter segment revenue | - | - | - | - | (24.95) | (50.48) | (24.95) | (50.48) |
| Total Revenue | 1,933.66 | 17.77 | 2,000.00 | 1,500.00 | 68.19 | 20.49 | 4,001.85 | 1,538.26 |
| 2. RESULT | | | | | | | | |
| Segment result | (2,747.52) | (103.81) | 1,614.21 | 1,102.60 | 40.88 | 18.40 | (1,092.43) | 1,017.19 |
| Interest Expense | (714.49) | (0.10) | (27.23) | (3.99) | (570.35) | (141.05) | (1,312.07) | (145.14) |
| Interest & Dividend income | 80.45 | 16.32 | - | 20.15 | 27.31 | - | 107.76 | 36.47 |
| Income Taxes | (29.36) | (0.55) | (138.23) | (417.43) | - | - | (167.59) | (417.98) |
| Net profit | (3,410.92) | (88.14) | 1,448.75 | 701.33 | (502.16) | (122.65) | (2,464.33) | 490.54 |
| 3. OTHER INFORMATION | | | | | | | | |
| Segment assets | 20,186.67 | 9,906.30 | 1,198.06 | 570.91 | 392.60 | 328.37 | 21,777.33 | 10,805.58 |
| Segment liabilities | 12,689.59 | 3,078.14 | 4,210.44 | 2,655.54 | 5,036.73 | 2,534.68 | 21,936.76 | 8,268.36 |
| Capital Expenditure | 9,904.79 | 8,325.10 | 635.95 | 49.89 | - | - | 10,540.74 | 8,374.99 |
| Depreciation | 559.53 | 5.07 | 16.09 | 16.74 | - | - | 575.62 | 21.81 |

16. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company at 15 days salary (last drawn salary) for each completed year of service.

The following table summaries the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet. (Net of reimbursement from Apollo Tyres Ltd.)

Profit & Loss Account

| | Rs. Lacs |
|---|----------------------|
| Employee benefit expenses (recognised in employees cost) | 2007-08 |
| Current Service Cost | 47.40 |
| Interest Cost | 48.58 |
| Net Actuarial Loss | 115.45 |
| Benefit Paid | 121.78 |
| Benefit Reimbursed | <u>(121.78)</u> |
| | <u>211.43</u> |
| Balance Sheet | |
| Details of Provision For Gratuity | 2007-08 |
| Particulars | |
| Defined benefit obligation (As on 31.03.2008) | 879.53 |
| Net Asset/(Liability) recognized | <u>(879.53)</u> |
| Changes in the present value of the defined benefit obligation are as follows: | 2007-08 |
| Particulars | |
| Present value of obligations as at the beginning of the year | 668.10 |
| Interest cost | 48.58 |
| Current Service Cost | 47.40 |
| Actuarial Loss on obligation | 115.45 |
| Benefit Paid | 121.78 |
| Benefit Reimbursed | <u>(121.78)</u> |
| Present value of obligations as at the end of the years | <u>879.53</u> |
| Principal actuarial assumptions | Rate (%) |
| Particulars | |
| a) Discount rate as on 31.03.2008 | 8.00 |
| b) Future salary increase (Parent Company) | 4.00 |
| c) Future salary increase (Subsidiary Company) | 5.50 |

The estimate of future salary increase takes into account inflation, seniority, promotions and other relevant factors.

The prior year comparable are not given since the revised AS 15 is applicable from April 1, 2007.

17. Disclosure of the relationship and transactions in accordance with Accounting standard 18- Related Party Disclosures issued by the Institute of chartered Accountants of India.

| NAME OF THE RELATED PARTIES | RELATIONSHIP | TRANSACTION TYPES |
|--|------------------------------------|--|
| Where Control Exists : | | |
| Constructive Finance Pvt.Ltd | Holding Company (Group Company) | |
| Where Significant Influence Exists: | | |
| Apollo Tyres Ltd | Group Company | 1) Lease income of Factory 2) Interest payment 3) Reimbursement received towards Expenses 4) Rent paid |
| Apollo International Ltd | Group Company | 1) Interest on 8 % Optionally Convertible privately placed non transferable debentures of Rs 100/- each 2) Redemption of the above debentures |
| Neeraj Consultants Ltd Sunrays Properties & Investments Co Pvt Ltd Sacred Heart Investments Co Pvt Ltd Motlay Finance Pvt Ltd Ganga Kaveri Credit & Holding Pvt Ltd Global Capital Ltd Indus valley Investment & Finance Pvt Ltd Apollo Finance Ltd Sargam Consultants Pvt Ltd Kenstar Investment & Finance Pvt Ltd | Group Companies | No transactions |

| Volume of Transactions NATURE | (Rs. in Lacs) | |
|---|-----------------------------|-----------------------------|
| | 31 st March 2008 | 31 st March 2007 |
| Lease income of Factory | 2,000.00 | 1,500.00 |
| Interest on Debenture received | 15.83 | 18.40 |
| Interest Paid | 27.24 | 3.99 |
| Reimbursement of Expenses received | 3,382.73 | 3,503.09 |
| Rent paid | 0.12 | 0.12 |
| Reimbursement towards utilization of Computer and other ATL Facilities (net) paid | 32.04 | 36.00 |
| Security Deposit Towards Lease rent received | 1,000.00 | 1,500.00 |
| Redemption money received of Debentures | 230.00 | 0.00 |
| Amount Outstanding | | |
| Advance Recoverable in Cash or in kind | | |
| Apollo Tyres Ltd | (2,802.15) | (1,764.13) |

18. Previous years figures are given in brackets
19. Previous period's figures have been regrouped/ reclassified where necessary to conform to current period's classification.

Signature to schedule "1 to 10"

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
9th May, 2008

NEERAJ KANWAR
HARISH BAHADUR
P.A.S. RAO
T. BALAKRISHNAN
U.S. OBEROI

Directors

Information pertaining to Subsidiary Companies u/s 212 (8) of the Companies Act, 1956

| Contents | Rs. in Lacs | | | | |
|--|----------------------------------|------------------------------------|---------------------------------|---------------------------------|---|
| | ARTEMIS HEALTH SCIENCES PVT. LTD | ARTEMIS MEDICARE SERVICES PVT. LTD | ARTEMIS MEDIEQUIPMENTS PVT. LTD | ARTEMIS LIFE SCIENCES PVT. LTD. | ARTEMIS MEDICAL INSTITUTE & HOSPITALS PRIVATE LIMITED |
| Share Capital | 1,151.00 | 1,801.00 | 1.00 | 1.00 | 1.00 |
| Reserves | 4,980.90 | 3,669.42 | (1.13) | (1.07) | (1.44) |
| Total Assets | 9,179.80 | 21,767.79 | 1.00 | 1.00 | 1.00 |
| Total Liabilities | 9,179.80 | 21,767.79 | 1.00 | 1.00 | 1.00 |
| Detail of Investments(other than investment in subsidiary companies) | - | - | - | - | - |
| Turnover (including other income) | - | 1,933.66 | - | - | - |
| Profit / (Loss) Before Taxation | (1.23) | (3,379.06) | (0.42) | (0.42) | (0.42) |
| Provision for Taxation | - | 29.36 | - | - | - |
| Profit / (Loss) after taxation | (1.23) | 3,408.42 | (0.42) | (0.42) | (0.42) |
| Proposed dividend | - | - | - | - | - |

PTL ENTERPRISES LIMITED

ATTENDANCE SLIP

FOLIO NO. OR CLIENT ID NO. / DP ID NO.

NO. OF SHARES HELD

I hereby record my presence at the 47th Annual General Meeting of the Company at Sowbagh, Bharat Hotels (BTH) Durbar Hall Road, Ernakulam, Kochi- 682016 on Thursday, 17th July, 2008 at 2:30 P.M.

Signature of the Shareholder/Proxy Present

1. Please hand over the attendance slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on the date of meeting.

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PTL ENTERPRISES LIMITED

Regd. Office: 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)

I/We of being a member/members of

PTL Enterprises Limited hereby appoint of

..... of failing him/her of

..... as my/our proxy to attend and vote for me/us and on my/our behalf at 47th Annual

General Meeting of the Company to be held on Thursday, 17th July, 2008 at 2:30 P.M.

Signed this day of 2008.

Signature (s)

| | |
|---------------|--|
| Folio No. | |
| DP ID No. | |
| Client ID No. | |

Affix
Revenue
Stamp

Note : The form duly completed and signed should be deposited at the Registered office of the company at least 48 hours before the time of the meeting. The proxy need not be a member of the company.

